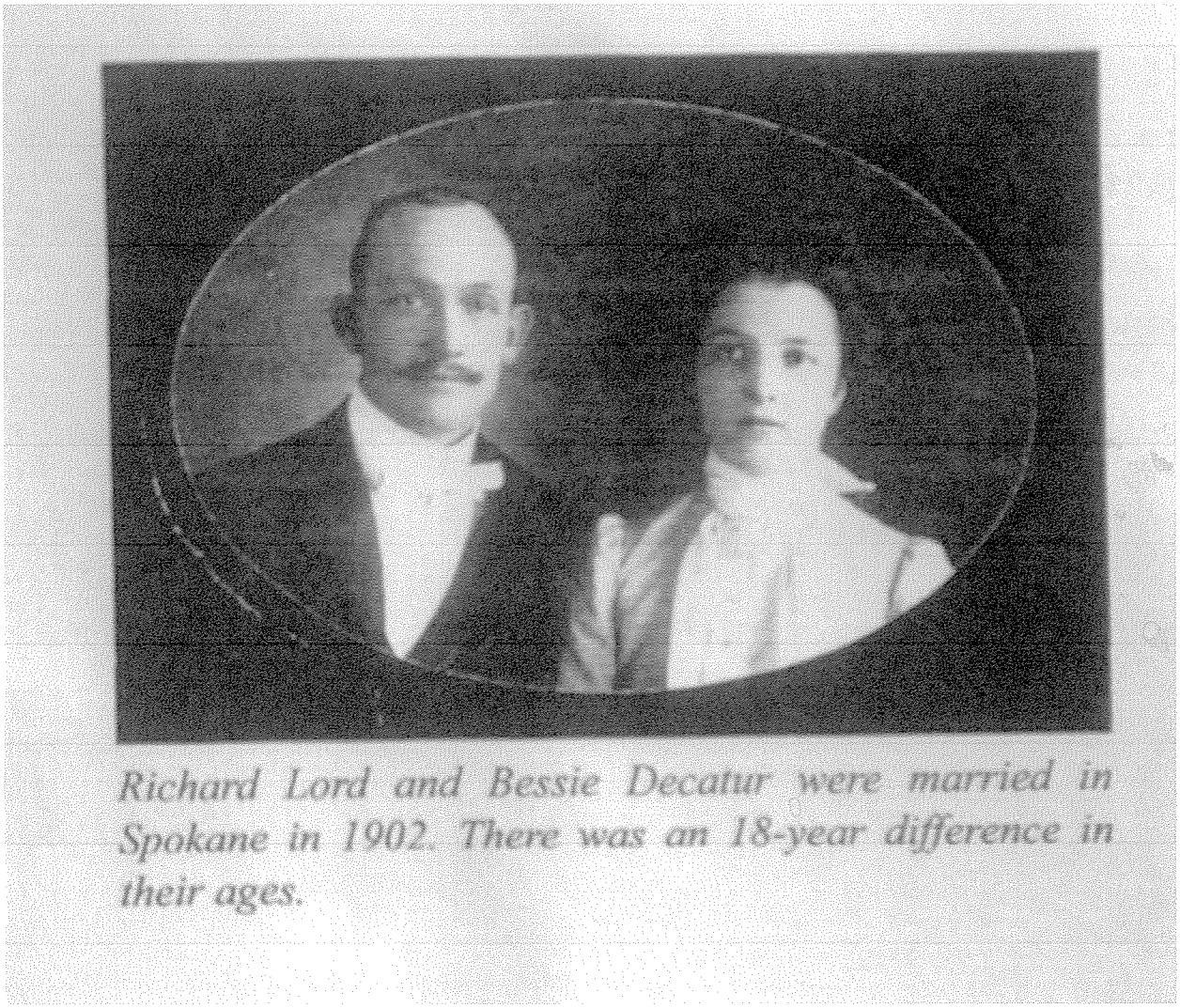
THE WAPATO IRRIGATION PROJECT:

A Narrative and Financial History

BY JOHN V. PETERS

2022

Richard Lord was the originator and facilitator of the Wapato Irrigation Project



Richard Lord and Bessie Decatur were married in Spokane in 1902. There was an 18-year difference in their ages.

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About the Author

John V. Peters was born in Wenatchee in 1943 and grew up in Manson. He has a bachelor's degree in economics from Grove City College, PA and has taken some master's degree classes in history from Seattle University. He spent two years in the Army (8th Special Forces Group, Ft. Gulick, Panama), worked two years for Old National Bank in Pasco and Kennewick, WA, six years in the budget office of the Seattle School District and 20 years in the finance department of the Boeing Company in Seattle. Since returning to Manson, he has done extensive research into the Wapato Indians and the Moses allotments.

TABLE OF CONTENTS

- Title Page
- About the Author
- Table of Contents

- Historical Narrative of the Wapato Irrigation Project

- Owners' Investments, Returns and Profits
- Individual Investor Summaries
- Financial Summaries of the Two Ownership Phases
- Financial Reconstruction by Year for Income and Outgo
- Summary of Land Contract Income and the Basis of Calculation

- Summary of Wapato Irrigation Company Formation, Owners, Officers and Activities
- Summary of Lake Chelan Land Company Formation, Owners, Officers and Activities
- Summary of Lake Chelan Water Company Formation, Owners, Officers and Activities

- Sources and Bibliography

THE WAPATO IRRIGATION PROJECT: A History

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The Irrigation Idea

The idea of an expansive irrigation project on the north shore of Lake Chelan seems to have most strongly fermented in the mind of R. H. Lord, a Chelan real estate agent and entrepreneur who arrived in the area in 1888. The early 1900s saw many private and public irrigation initiatives taken in the Central Washington area, including Wenatchee, Cashmere and Brewster. The Wapato Irrigation Project was a private project and Richard Lord may be considered its father and facilitator.

The Early Actions

One early Seattle visitor to Lake Chelan was LeRoy Manson Backus, the son of Seattle banker Manson F. Backus, President of the National Bank of Commerce. In 1904 LeRoy came to hunt the plentiful game around Lake Chelan and he became very fond of the area (The Way it Was by LaRue Barkley, 1994, p. 5). He likely met Richard Lord, a prominent Chelan leader, and got a strong sales pitch on Lord's ideas about a big irrigation project and the lucrative nature of resulting land sales on the north shore. LeRoy may have given Lord some tentative indications of his becoming involved in the project if it was first proven feasible. Eventually LeRoy interested his father, Manson, in the project after his father's initial skepticism. The technical feasibility—engineering and legal issues including

acquiring water rights—and the feasibility of acquiring the necessary land, including Indian allotments which at that time could not be sold, would have to be proven first. Perhaps an informal Lord-Backus agreement was reached that local initiatives along these lines would be rewarded by west coast investors if engineering, legal and land issues were satisfactorily advanced. In any case, this is how things proceeded.

Land and Irrigation

It is likely that Lord and LeRoy Backus cooperated to set in motion initiatives with their U. S. congressmen to change the law so that the Moses Allotment Indians, of which the Wapato Indians were a part, could sell their allotment land. The allotment lands, amounting to about 5,400 acres in the Manson area, were central to the success of the irrigation and land development/sales project. The first fruits of their labors were represented by a law proposed in Congress that would give the allotment Indians fee simple patent rights to their land and allow them to independently sell all their allotment land. This proposed law was objected to by the Secretary of the Interior and the language of the law was changed. Instead of fee simple patents, trust patents were to be issued to Moses allotment Indians allowing the Indians to sell all but 80 acres of their land with supervision and approval by the Interior Department. The trust patents were to remain in force for ten years, at which time the Interior Department was ordered to issue fee simple patents for the allotment lands remaining in Indian hands. This

The Edwin Harvey Lord Family, c 1888.
Standing: Arnettie, Roswell, Richard, Alma, & Edith. Seated: Edwin & Mary (Brown Ransdell), & Char

LeRoy M. Backus

law (34 Stat., 55) was passed by Congress and signed by President Theodore Roosevelt on March 8, 1906. This opened the way to solving the land acquisition problem.

The Wapato Irrigation Company

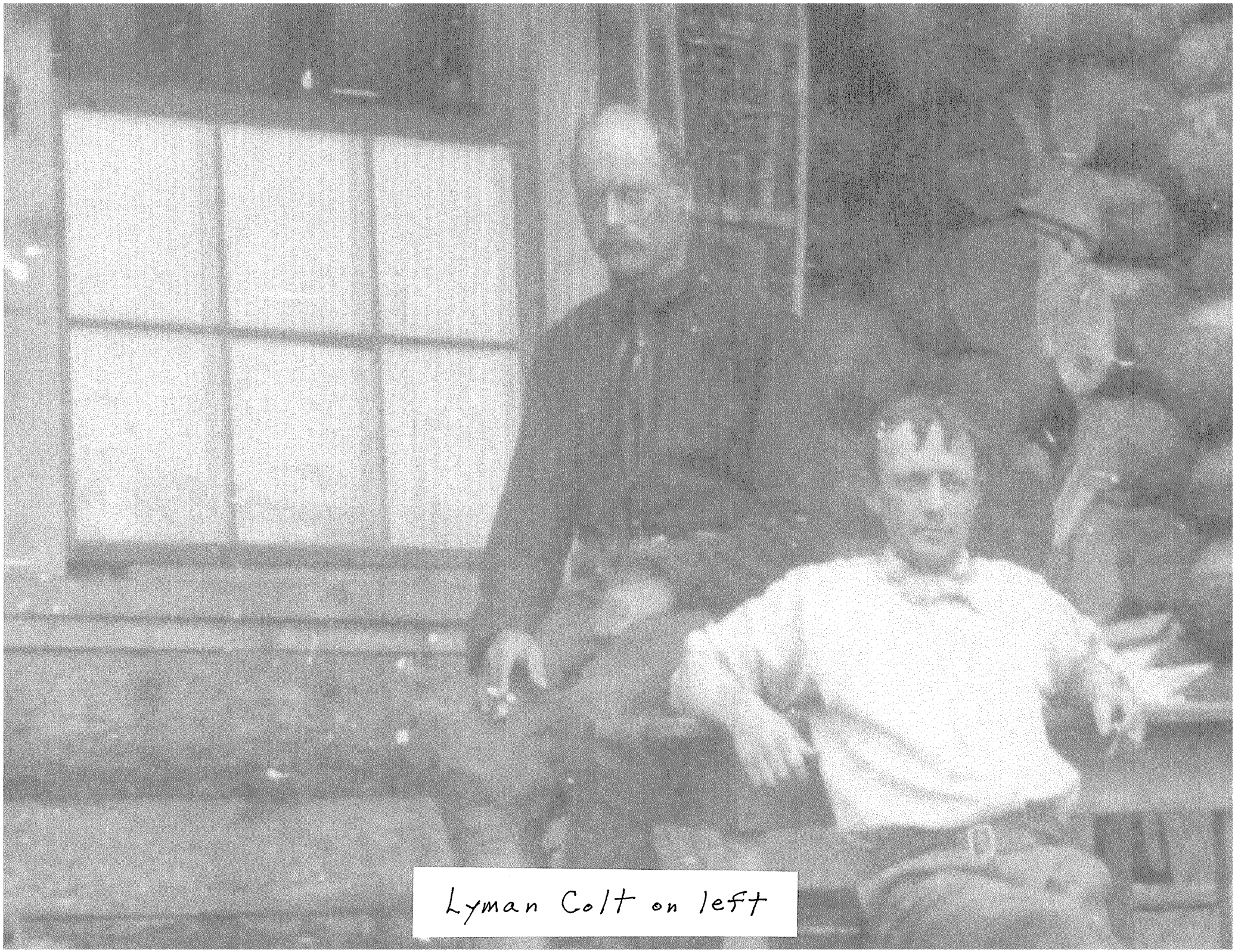
On April 6, 1906, The Chelan Leader reported "R. H. Lord, assisted by Claude Johnson and others, broke ground Monday for his new irrigation ditch which eventually is to furnish water for about 2,000 acres on the north side of the lake. The project is an important one for the town and community and everyone should give it all the moral and financial support possible."

On May 4, 1906. The Chelan Leader reported "The Wenatchee World is authority for the statement that articles of incorporation of The Wapato Irrigation Co. have been filed with Auditor Gellatly, naming Messrs. C. E. Rusk, Titus Hale, R. P. Harris, Harry Wentworth and Lyman Colt as the incorporators, with a capital stock placed at $300,000, to take water from Wapato lake and water 2,000 acres on the north side of Lake Chelan." The Articles of Incorporation (Glimpses of Manson History by Wayne Stanford, 1993, page 25) show the actual capitalization was $60,000 and it appears likely that only about $4,000 was actually spent during this phase of the project. The Wapato Irrigation Company was sold to LeRoy Backus and George McLaren in early 1909. Before 1909 the company performed legal, engineering and preliminary irrigation construction work, but does not appear to have purchased any land.

It seems probable that Lord was instrumental in bringing together this group of Chelan entrepreneurs to incorporate the Wapato Irrigation Company on April 21, 1906. Some biographical information about these men follows.

Lyman Roswell Colt (1868-1927) was the grandson of Roswell Lyman Colt (1779-1856) who made a fortune in the shipping industry. Lyman's father Morgan Gibbs Colt (1826-1894) inherited great wealth and had mansions in Patterson and Summit, New Jersey. Lyman inherited great wealth in turn. Lyman graduated from Columbia University in 1891. He traveled west and spent some time in Alaska. In 1898 he appears in a photo taken in Alaska with four partners. Later, he found his way to Lake Chelan. Wikipedia ("Thomas T. Minor") states: "Lyman Colt had lived in Alaska and the Yukon and was one of Jack London's acquaintances in Dawson City during the Klondike Gold Rush. He later raised cattle at his small ranch at Chelan in Washington State." Eva Anderson wrote "he came into the region incognito. He was searching for a job, he said. For a time, he did work as a hired hand, for Judge I. A. Navarre. Always quiet, he was extraordinarily neat and clean, and kept his distinguished-looking beard well trimmed. For some time, he maintained his disguise. Then he transacted a bit of business [he bought a large amount of prime land], and the secret was out." Anderson describes him as the "Son, of the wealthy owner of 'Colt Firearms Company". Years later in an interview with the 83 year old pioneer Stehekin packer Dan Devore, Devore describes knowing "Lyman R. Colt of the Colt

Firearms company." Lyman may have led people to believe this or people may have made an assumption which he didn't dispute. In any case, Lyman was actually a distant cousin of Samuel Colt who founded the Colt Firearms Company. Lyman's great grandfather Peter Colt (1744-1824) had a brother Benjamin Colt whose grandson was Samuel Colt (1814-1862). Samuel Colt, incidentally, began his life poor and struggled to develop an arms company with small loans from friends, relatives and investors. At his death from complications of gout in 1862, he had an estimated net worth of $15,000,000 (equivalent to $5 billion in 2022) which went to his wife, their three-year old son Caldwell Hart Colt and another son, Samuel Caldwell Colt, from a 1838 marriage. Perhaps it was easier for Lyman to let this false assumption stand than to try to explain the actual source of own inherited wealth. Lyman sold his land and moved to Seattle by 1909. His January 11, 1927, obituary states: "Lyman Roswell Colt of Seattle, Wash., died suddenly on Saturday at his residence in Winter Haven, Fla., where he and Mrs. Colt have spent much of their time recently. Mr. Colt was a son of the late Morgan Gibbs and Mary Borrowe Colt. He leaves his wife, who was before her marriage Judith S. Minor. Their children, Elizabeth M. and Lyman R. Colt, Jr., lived with them. Mr. Colt was graduated from Columbia in 1891." Judith Strong Minor was the daughter of the wealthy Seattle doctor, businessman and mayor Thomas T. Minor. She married Lyman Colt on April 15, 1909 in Seattle.



Lyman Colt on left

Harry W. Wentworth(1869-1947) was born in Boston, received a liberal education in the classics and arts, graduated from Jefferson Medical College of Philadelphia, took post-graduate courses in Philadelphia, New York City and Boston, six years of medical research and two years of medical practice in Chelsea, Massachusetts. He came to Washington in 1900, married in Seattle in 1901 and practiced medicine in Rosalia before coming to Chelan in January 1903. In March through August 1903, he built the Chelan Sanitarium, a two-story, 18-room convalescent center with outdoor verandas and cottages across the street for tuberculosis patients. He brought the latest medical knowledge, techniques and apparatuses to this remote community, including reconstructive surgery. The Chelan Leader, March 27, 1903, reported: "Dr. Wentworth has in course of the construction, to be completed in about three weeks, seven desirable rooms for patients, with drawing rooms, parlor and dining room, a large and fully equipped operating room, lighted by four large double windows, and with all the most modern accessories. The Doctor has also on the way, and will have installed by the time of the opening of his Sanitarium institute, an X-Ray apparatus, a Rhumkorf coil, a Hot Air machine and appliances, Wall plate for Faradic and galvanic currents, and a nebulization apparatus for the treatment of the respiratory tract." Dr. Wentworth remained in Chelan until after 1913.

Robert P. Harris was a Chelan businessman and vice president of the Chelan Commercial Club.

THE CHELAN SANITARIUM

H. W. Wentworth, M. D., Physician in Charge

Titus Hale (1878-1942) was born in Princeton, New Jersey to a prominent family. His obituary tells us "He received his education at Lawrenceville Preparatory School and Princeton University, graduating in the class of 1902. Following his graduation, he taught school at Mt. Pleasant Academy at Ossening, New York. He came to Washington in 1905 and to Chelan in the fall of the same year. He purchased a ranch near 25-Mile Creek in 1906, and except for short periods he made this his permanent home ever since. He was married to Georgiana Murlock of Waterville, June 16, 1909. After his marriage he lived for two years at his boyhood home at Princeton, but returned to his ranch on Lake Chelan.

C. E. Rusk was a Chelan businessman and secretary of the Chelan Commercial Club.

Richard Lord remained involved in the Wapato Irrigation project and was the principal negotiator with the Indians on the north shore whose allotment lands were of prime importance for the success of the project. As Mary Scherer wrote in her article on Lord in History Notes, 2010, "He spoke their language, learned early on when growing up in the Yakima country." Presumably this language was Chinook, an artificial language used across many tribes and the Western immigrants into the land. Lord often acted as an interpreter for Indians and as an intermediator between individual Indians and the U. S. Indian Department. He was uniquely suited to work with both the Indians themselves and the government departments

acting as trustee of their allotment lands. Even with the March 6, 1906 law (34 Stat., 55) in place allowing the allotment Indians to sell all but 80 acres of their lands, the efforts to purchase the Indian allotment lands would not be fully completed until September 1911. An additional law had to be passed (36 Stat., 1358), March 4, 1911, specifically mandating that Peter Wapato and Wapato John must agree to sell their land. By this law, the Secretary of the Interior was instructed to make the sale in their names, if necessary, in the interest of the important irrigation project underway by the Wapato Irrigation Company.

The Articles of Incorporation of the Wapato Irrigation Company give the following expansive purposes (Glimpses, p. 25):

The objects for which this corporation is formed are:

1. *To construct, maintain, and operate dams, dikes, reservoirs, conduits, trestles, tunnels, ditches,, canals, pipes, flumes, aqueducts, and other works connected with same; to store, divert and conduct water for irrigation mining, and manufacturing purposes and for supplying cities towns and villages with water and for water works; to appropriate sell and lease water for the above named purposes;*
2. *To buy, sell, lease and otherwise deal in land;*
3. *To buy and sell securities of other corporations, and to purchase and sell corporate rights, franchises and other property;*

4. *To purchase, erect, equip and maintain saw mills, wood working factories, and other manufacturing plants, and to construct tramways, skid roads and other works necessary to manufacturing enterprises;*
5. *To develop water and electric power, and to use and dispose of the same for manufacturing, lighting, heating and other purposes;*
6. *To erect, equip, maintain and operate telephone lines;*
7. *To purchase, build, stock and operate general merchandise stores.*
8. *To do such other things as may be done by corporations of this character, not inconsistent with the laws of the Congress of the United States and of the State of Washington.*

As it turned out, objects 1 and 2 were the key elements actually performed by this corporation. In particular, the development of water and electric power, telephone lines and general merchandise stores was not undertaken.

Irrigation Work

In the meantime, The Chelan Leader reported on April 26, 1907 "Hale & Harris were out this week completing and correcting surveys on their irrigating system about Wapato lake, and will push the work of construction as rapidly as possible after all the necessary arrangements are made with the Interior department at Washington for right-of-way over the Indian lands. They have water rights on Antilon and Mitchell creeks

and will turn these streams into the lake reservoir. Some work has been done on this part of the system and it will be completed before the work on the distributing system is taken up."

The best account of the Wapato Irrigation Company's activities in developing an irrigation system is given by Wayne Stanford in his unpublished master of arts in history thesis History of the Lake Chelan Reclamation District (Washington State University, 1965), which is on file at the Lake Chelan Museum.

Stanford writes on pages 40-44,

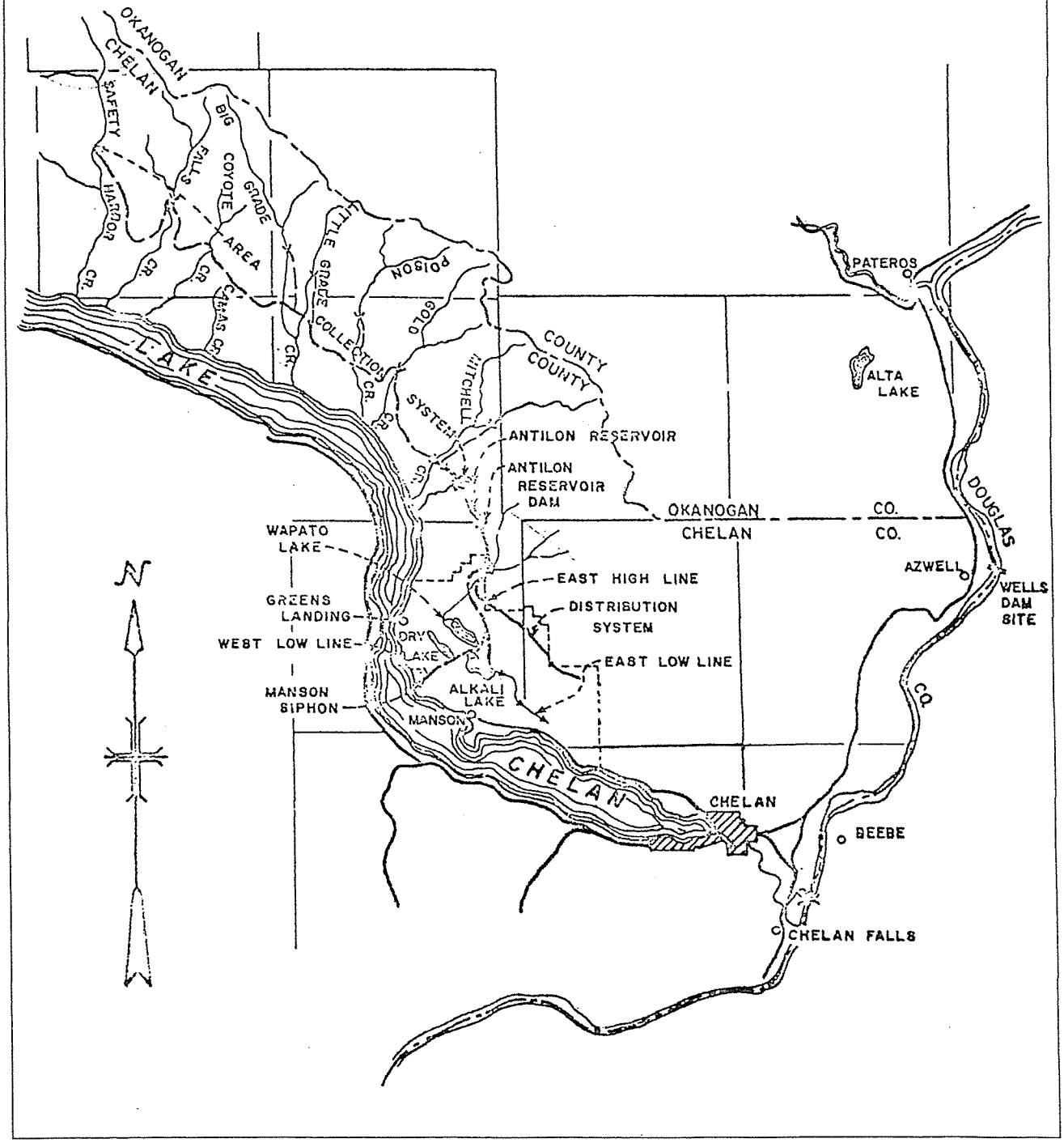
During the spring and summer of 1906 the company made a survey of its proposed irrigation system from Mitchell Creek through Antillon Lake and Wapato Lake, and on to the Indian allotments and the land between these allotments and the town of Chelan. Original water filings were made during this time. The only construction work was the building of a small dike at an outlet of Wapato Lake and other minor works necessary to hold the water rights.

During the winter of 1906, the project was viewed by C. M. Speck, an engineer from the firm of Neely and Young of Spokane, and with his help a map of the project was prepared. [See the attached map and photos of Wapato lake.]

In 1907, application was made to the federal government for approval of rights of way for several reservoirs, canals, and other ditches.

LAKE CHELAN RECLAMATION DISTRICT

(1920 - 1976)



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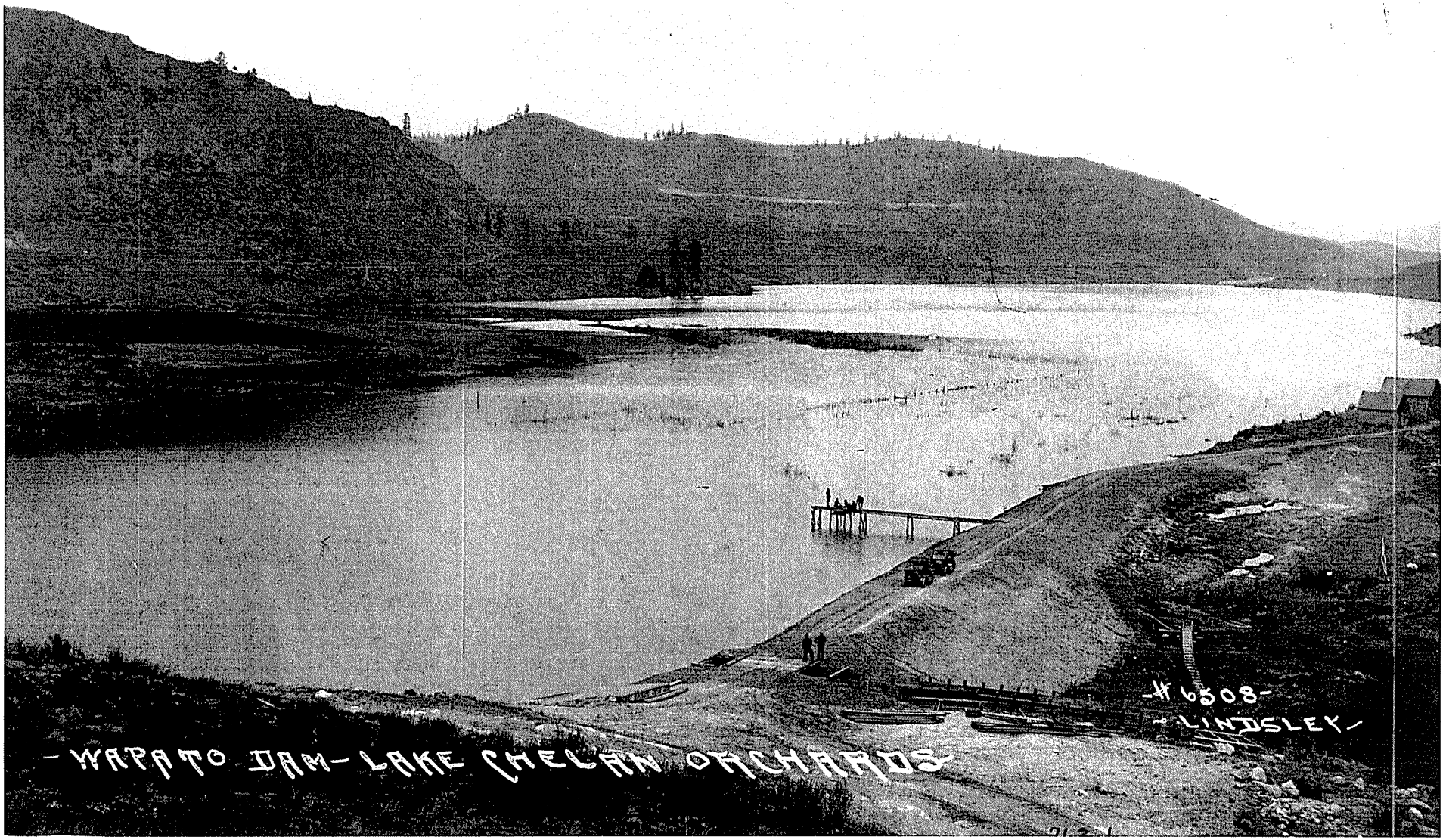

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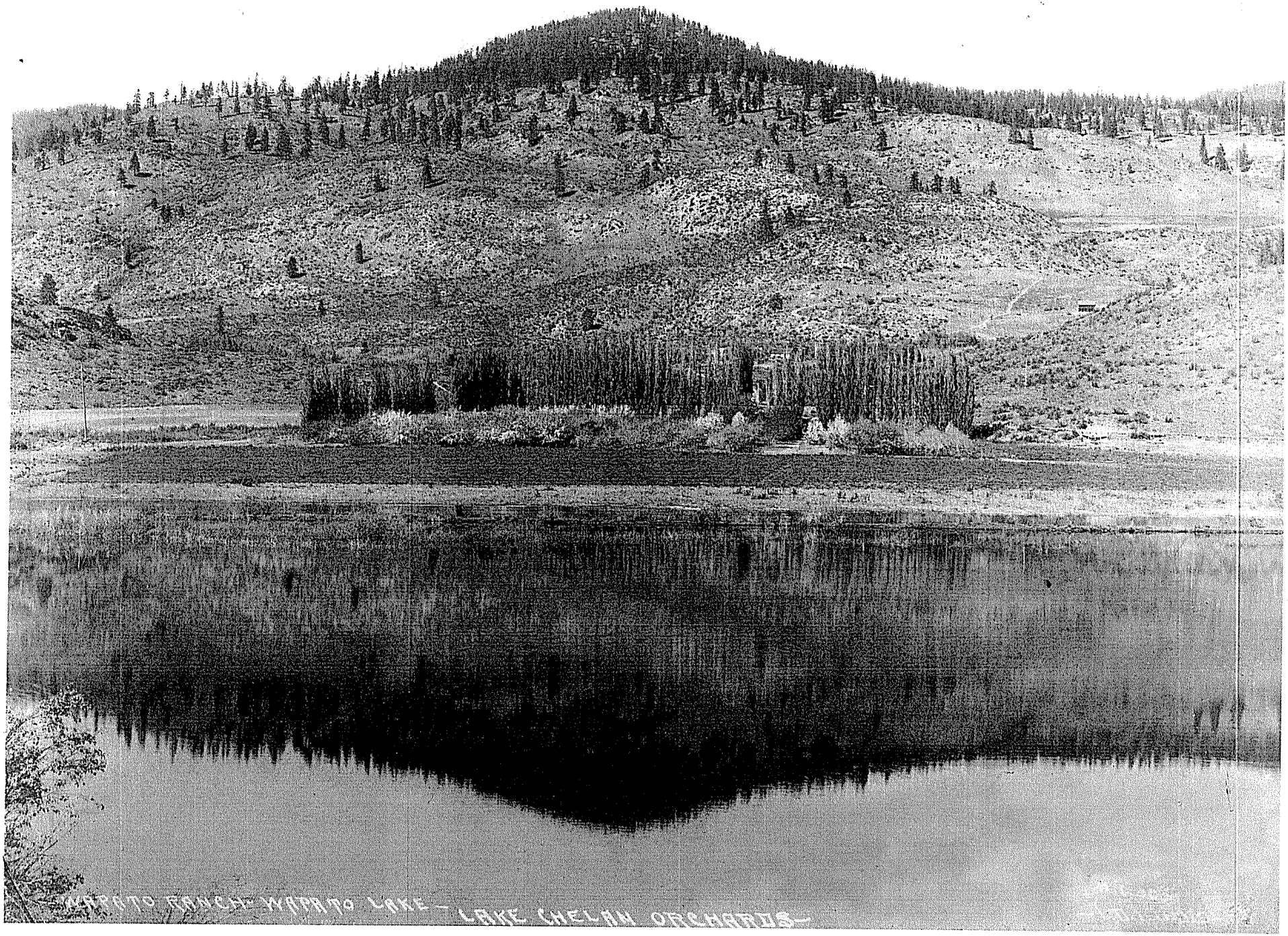


The application was reported favorably by the Secretary of Agriculture and the Director of the U. S. Geological Survey, and on June 1907, it was given a general stamp of approval by the Secretary of the Interior.

They intended to gather water from a number of streams flowing into Lake Chelan, transport it to reservoirs by flumes and pipes, and from there distribute it to the land.

The company made twelve different water filings from March 14, 1906 through July 24, 1909. Water was to be taken in various amounts from Wapato Lake, Joe Creek, Mitchell Creek, "Long Slue", Thomas Sain's Creek, Temple Lake, Gold Creek, Poison Creek, Grade Creek, Coyote Creek, Falls Creek and Safety Harbor Creek (History of LCRD by Stanford, pages 44 and 47).

Stanford's History continues, page 47.

Construction was resumed on the Wapato Lake dike during the spring of 1907, and $1,791.10 was expended on this job. The project was visited twice during the summer by an engineer, H. W. Boetzkes, and he made a survey and location for the flume as far as Gold Creek. In 1908 more work was done on the dike at Wapato Lake. Digging was begun on a canal to connect Antillon and Temple Lakes to make them more suitable for storage reservoirs, and a trail was cleared from Antillon Lake to Mitchell Creek in preparation for putting in the flume to connect these two. Plans were made for extending the project, so another engineer, J. D. Blackwell of the firm Hartford and

Blackwell, was called in for consultation. After studying the maps and notes prepared by Boetzke, he make a trip over the line already laid out and a preliminary survey of the line between Poison and Grade Creeks. Blackwell wished to change the plans considerably, so no further construction was done on the supply flume until June of 1909.

It is worth pausing a moment to mention that the engineer, H. W. Boetzkes, was the brother-in-law of LeRoy M. Backus. This shows the close connection of LeRoy Backus to this whole irrigation project from the beginning.

New Owners

The Chelan Leader of March 26, 1909 announced the following:

Messrs. LeRoy M. Backus and Geo. S. McLaren, of Seattle, the new owners of the Wapato irrigation project, were in for a day or two this week. While in working out this enterprise, they have to deal with the same Indian problem which confronts every promoter who would accomplish anything for the advancement of the irrigation possibilities of this valley, they have strong hope that satisfactory arrangements can be made soon with the government and the Indians whereby this work can be taken up and completed.

And on June 11, 1909 The Chelan Leader further reported:

Messrs. LeRoy M. Backus, D. A. Cameron, H. W. Botzkes and Geo. D. McLaren, all Seattle gentlemen who are interested in the Wapato irrigation project, came in on Wednesday's stage.

What happened here with the ownership of the Wapato Irrigation Company isn't public information, but we can make a reasonable speculation that Backus/McLaren bought out the shareholders compensating them for their investment plus 7% interest for their three years of operation. If the actual expenditures from 1906 were $4,000, this would amount to $4,900.

On March 27, 1909, LeRoy Backus and George McLaren signed a contract with Richard Lord and Charles Brown, real estate partners in Chelan. Our information on this contract comes from court documents arising from Lord's 1912 lawsuit seeking sales commissions from the Wapato Irrigation Company, then owned by the Lake Chelan Land Company. The case was *Lord v. Wapato Irrigation Co., 81 Wash. 561, 142 Pac. 1172.* The document relates the following:

In the early part of the year 1909, Lord and Brown [Richard Lord and Charles Brown] *were partners as real estate brokers, having an office at the city of Chelan, near the lands the irrigation company desired to purchase. Lord was well acquainted with the different Indian allottees, and could converse with them in a dialect which they understood. He also had a thorough knowledge of the character of the Indians, their method of thought and manner of doing business, and was otherwise well qualified to deal with them.*

Lord insisted that Brown be included in any agreement [with the Wapato Irrigation Company].

The contract called for Lord to negotiate with the Moses allotment Indians over the purchase of whatever amount of land the Indians could legally sell and spelled out the complex terms of payments to Brown & Lord for these efforts. The contract designated Brown & Lord as "the sole and only agents in the cities of Chelan and Wenatchee" and gave them special terms on commissions for any future sales, by them or other sales agents, of Indian lands that they had helped acquire for the Wapato Irrigation Company. On these future sales of former Indian land, Brown & Lord were to receive commission of 5% of sales value on any sales with an additional 5% if Brown & Lord also made the sale. All in all, it was a generous and potentially lucrative contract for Brown & Lord and it shows the value that the Wapato Irrigation Company put on Lord's participation in the project.

Stanford continues his narrative of the company's activities, pages 47 -48:

During the spring and fall of 1909 an engineering crew was employed, and a line was surveyed on which the flume would be located to carry the water from the most distant stream, Safety Harbor Creek, a distance of approximately 35 miles from the land to be irrigated. At the same time a crew was building trails along the route to be followed by the supply flume. In 1910, about 6 miles of main distribution canal was completed from the reservoir at Wapato Lake and the outlet gate at the lake was constructed. In the fall of that year logging and sawmill

operations were begun for the purpose of making lumber to be used in building the supply flume from Antillon Lake toward Safety Harbor Creek.

Lake Chelan Land Company Incorporated

On September 14, 1909, the Lake Chelan Land Company was incorporated. The incorporation papers stated that the company was to be capitalized at $500,000. However, according to later court testimony during bankruptcy proceedings, only $340,000 was actually raised. The Land Company was undercapitalized from the start. It is a reasonable assumption that the Lake Chelan Land Company immediately bought out LeRoy M. Backus and Geo. S. McLaren's interest in the Wapato Irrigation Company. If they were reimbursed for their outlay with 7% interest for six months, the purchase amount would be $5,069. The Wapato Irrigation Company probably had spent $4,000 total from spring 1906 through late summer 1909. This buyout would put the Lake Chelan Land Company in complete charge of the Wapato irrigation project. LeRoy M. Backus was named president and Geo. S. McLaren secretary of both the Land Company and the Wapato Irrigation Company.

The original shareholders of the Lake Chelan Land Company were Manson F. Backus (37.5%), LeRoy M. Backus (25%), George S. McLaren (6.25%), W. P. McLaren (6.25%), and Leslie Findlay (25%). But, by December 3,1909, a new set of

Seattle homes of
Manson Backus in front
LeRoy Backus in back

shareholders were in place. The McLaren brothers and Leslie Findlay had sold out their interests.

The new shareholders were Manson F. Backus (37.5%), LeRoy M. Backus (25%), J. A. Swalwell (6.25%), W. G. Swalwell (6.25%), and Joshua Green (25%). J. A. Swalwell became secretary of the Land Company and Joshua Green became secretary of the Wapato Irrigation Company.

Who were these men?

Manson F. Backus

President of the National Bank of Commerce in Seattle and a board member of the Seattle Trust Company. He was the major investor (37.5%) in the Lake Chelan Land Company. Manson Backus had plenty of cash to operate with, having received in 1907 a return of $250,000 on a $4,000 logging company investment he made ten years earlier.

LeRoy M. Backus

Son of Manson Backus. Board Member of the National Bank of Commerce. President of the Lake Chelan Land Company, the Wapato Irrigation Company and later the Lake Chelan Water Company.

George S. McLaren

Seattle insurance executive. Original investor (6.25%) in the Lake Chelan Land Company.

Manson F. Backus

W. P. McLaren

Wealthy younger brother of George McLaren. Original Investor (6.25%) in the Lake Chelan Land Company.

J. A. Swalwell

Everett banker and real estate dealer. He was also the Vice President of the National Bank of Commerce. He purchased 6.25% interest in the Lake Chelan Land Company from one of the McLaren brothers.

W. G. Swalwell

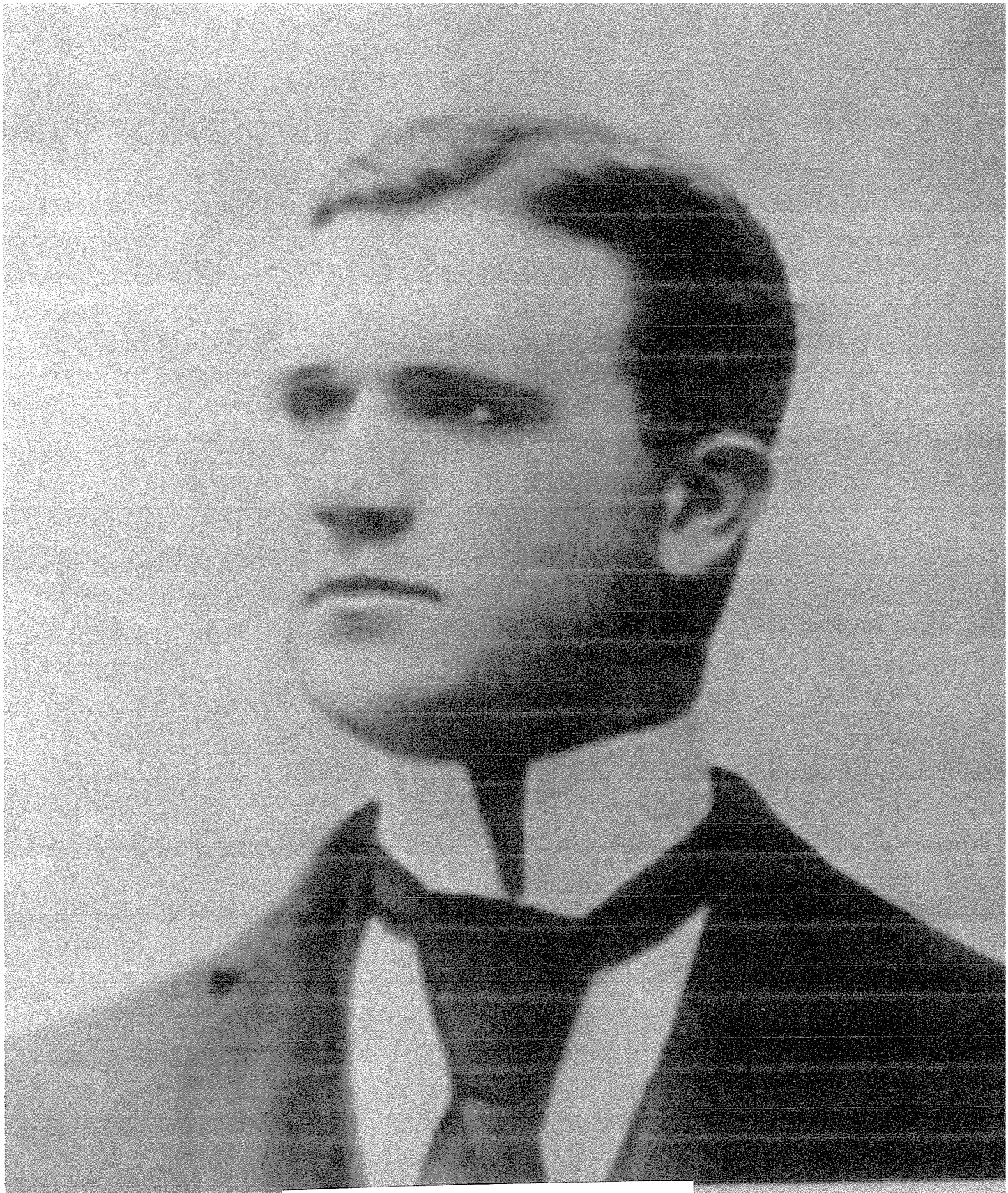
Older brother of J. A. Swalwell. Everett banker. Purchased 6.25% interest in the Lake Chelan Land Company from one of the Mclaren brothers.

Leslie Findlay

Apparently a wealthy Seattle resident. Original investor (25%) in the Lake Chelan Land Company.

Joshua Green

President of the Puget Sound Shipping Company and board member of the National Bank of Commerce and the Bank for Savings in Seattle. Purchased Leslie Findlay's 25% interest in the Lake Chelan Land Company.



Joshua Green

shua Green as a young man.

Land Company Operations

All of the money was in the Land Company, which provided funds to the Wapato Irrigation Company to purchase land and perform irrigation system development.

Stanford's History continues:

While construction of the irrigation system was being carried forward, the Wapato Irrigation Company was also vigorously pursuing its policy of acquiring land.

The Indian allotments were the primary concern. Sale agreements were reached with eight of the ten north shore Moses allotment holders in 1909 for a total price of $56,000.

The last two holdouts among the Moses allotment holders—Wapato John and his son Peter Wapato—agreed in September 1911 to sell for $30,000 and $26,000, respectively, but only after Congress passed a special law (36 Stat., 1358) on March 4, 1911, requiring them to sell. Wapato John died on September 7, 1911. An heirship hearing was held in Chelan on January 16, 1912, as a result of which his wife, Madeline, and other heirs received shares of the money and what remained of the Wapato John allotment land.

All of the allotment Indians, or their heirs, became relatively wealthy from their land sales.

Based on the Brown & Lord contract terms and the actual sales values of the Indian land purchases facilitated by Richard Lord, I have calculated that Brown & Lord received $17,703 in 1909

and 1910 or $8,851 for each partner (if there was an even split). On December 10, 1910, Charles Brown sold his interest in the Wapato Irrigation Company contract to Richard Lord, for an unknown amount of money.

By September 1911 all of the allotment land that could be obtained had been obtained: 4,972.49 acres at a cost of $121,500 or an average of $24.43 per acre. The Matilda Wapato homestead of 168 acres had been purchased in June 1910 for $12,000. Other homesteads and raw land of approximately 1,719.51 acres was also purchased at an estimated average cost of $15 per acre or a total of $25,800. This completed the land purchase portion of the Wapato Project, accumulating 6,860 acres of land. The total cost of these lands was $159,300 for an average of $23.22 per acre. The investors' plan was to spend $20 or less per acre, so this is about 16% more than their original high-side estimate.

Lake Chelan Water Company Incorporated

The Lake Chelan Water Company was incorporated on May 26, 1911, with 5,000 ownership shares, corresponding to the number of acres projected to be irrigated by the Wapato Irrigation Project. The irrigation system assets were transferred to this new entity, with land ownership remaining in the Lake Chelan Land Company. Initially, all of the shares in the Water Company were in the hands of the Land Company. As lands were sold, each sold acre would receive one ownership share in the Water Company. All financial decisions on all aspects of the

Project remained in the hands of the Land Company as the major landowner.

By the end of 1911 the irrigation portion of the Project had completed initial design, had gathered the necessary water rights and rights-of-way and had taken initial steps toward supplying water to farmland. "In June, 1911, the Lake Chelan Land Company conveyed to the Lake Chelan Water Company the water rights acquired from the Wapato Irrigation Company and all the irrigation works belonging to the Land Company." (Stanford, History, page 50). This separated the irrigation portion of the Project from the land sales portion of the Project. An agreement between the two companies provided for the Land Company to finance the Water Company development costs. Ultimately the Water Company operating costs were to be paid by water fees from those receiving irrigation water. The initial expectation was that 5,000 acres would eventually be irrigated, and each owner's acres were to receive one share of stock in the Water Company at a cost of $1 per acre. Until more than 2,500 acres of land were irrigated, this left the majority of the voting stock of the Water Company in the hands of the Land Company owners.

"The year 1911 brought the first delivery of water, as some of the lowland areas received water from Wapato Lake during the summer. The flume was completed to Mitchell Creek and water flowed into Antillon and Temple Lakes for storage. More

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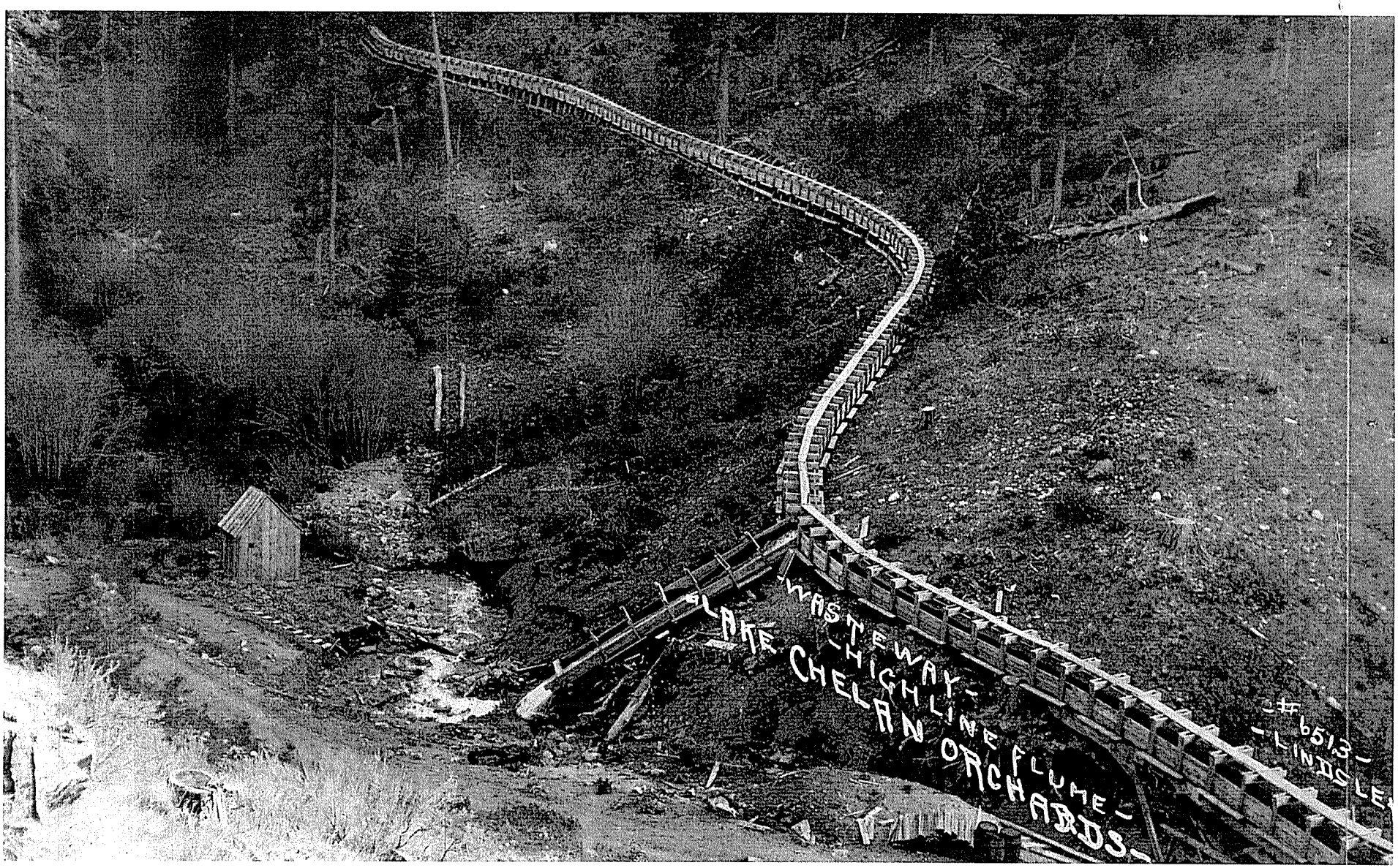
WASTEWAY -
HIGH LINE FLUME -
LAKE CHELAN ORCHARDS.
#6513 -
LINDSLEY

road was built for carrying the construction of flume further." (Stanford, History, page 48)

But huge and expensive work remained to be done to expand the acreage irrigated and to create a reliable irrigation system. About $50,000 had been expended on the irrigation system through 1911. And about six times that much or $300,000 would be spent on the system over the next two years, during 1912 and 1913. About $225,000 was spent in 1912. Through 1913, "The company reported an expenditure of $345,900 on its construction efforts." (Stanford, History, page 51).

The Financial Turning Point

A little-known development occurred in October 1911 when one of the minor investors in the Land Company, J. A. Swalwell (6.25%), and his father-in-law, Melvin Swartout of Everett, doing business as the Swalwell-Swartout Company, purchased 5,000 acres of the 6,860 acres that the Land Company then owned. The purchase price was $1,000,000 payable in $200,000 annual installments beginning on December 1, 1912. This amounted to an average price of $200 per acre, about ten times what the Land Company had paid for the property. The contract allowed the Swalwell-Swartout Company to pick which acres it wanted from the 6,860 acres owned by the Lake Chelan Land Company.

We know the details about this contract from the court papers emerging from a lawsuit that R. H. Lord filed against the Wapato Irrigation Company in which Lord claimed that he was

owed $65,000 in sales commissions from this 5,000-acre sale based on an earlier Brown-Lord/Wapato Irrigation Contract. The trial was held in September 2012 in Chelan Superior Court and Lord was awarded $52,336.75 on April 26, 1913 (equivalent to $1,500,000 in 2022 purchasing power). The Lake Chelan Land Company appealed the decision and a final decision was rendered on September 17, 1914, awarding Lord $6,160.60 including $6,000 for the purchase of Indian allotments MA8-Wapato John and MA10-Peter Wapato and $160.60 for two other land sales. The court ruled that the sale of the 5,000 acres to Swalwell-Swartout Company was not a real estate sale in the sense covered by the agreement between Brown and Lord Real Estate and the Wapato Irrigation Company. (Lord vs. Wapato Irrigation Co., 81 Wash. 561, 142 Pac. 1172).

A Financial Pinch

A great deal of work and expense on the irrigation system and land clearing and planting was planned for 1912. But, due to undercapitalization, the Land Company didn't have enough money on hand to fund all the planned expenditures. Had the Land Company been fully capitalized at $500,000 instead of at only $340,000 there would have been plenty of money available. To make up the cash deficit, the major investor, Manson Backus (37.5%) and one of the minor investors, J. A. Swalwell (6.25%) along with his father-in-law, Melvin Swartout, loaned $60,000 and $50,000, respectively, to the Land Company at 6% annual interest. The paper on these loans

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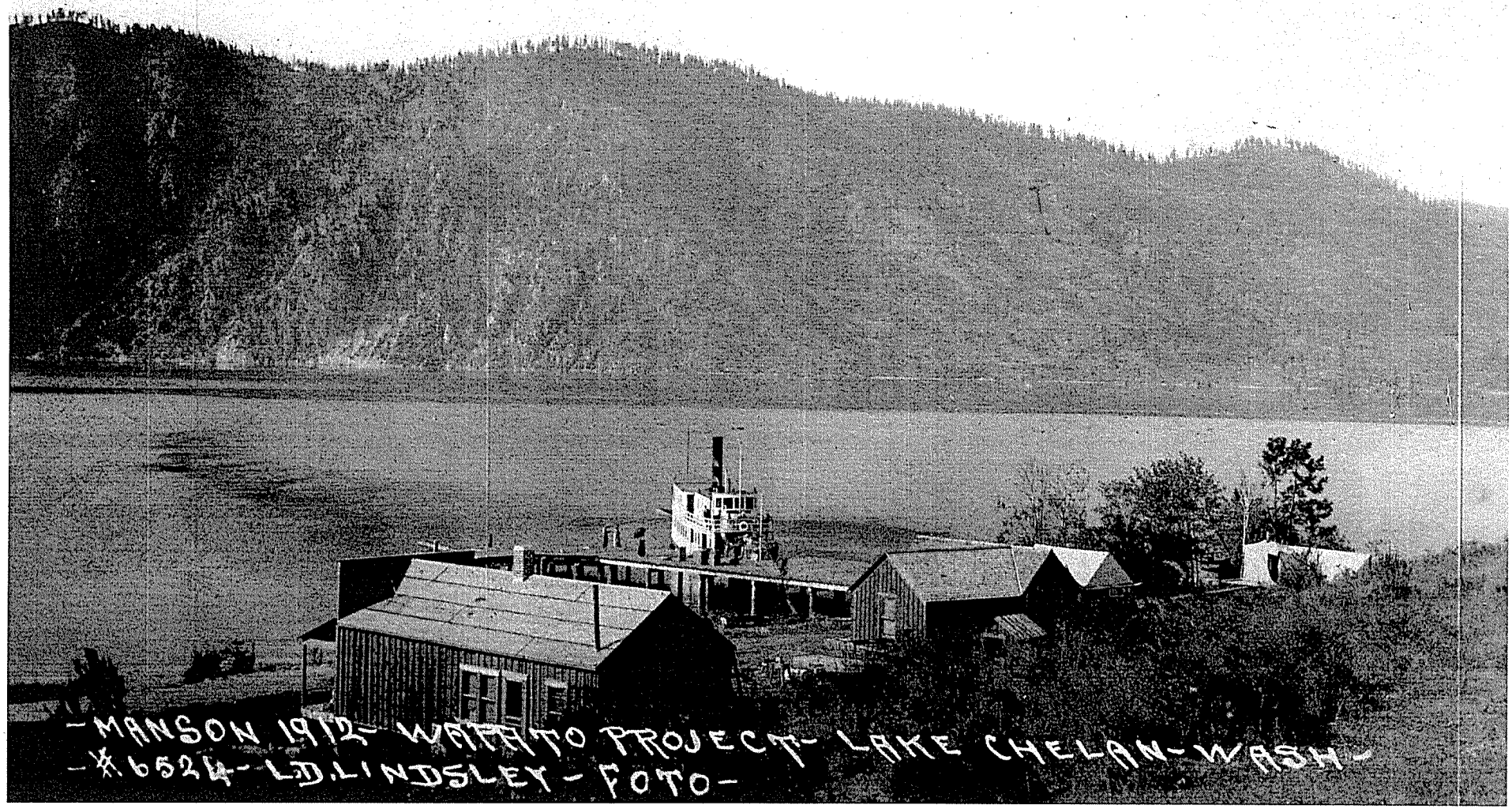
-MANSON 1912- WAHTO PROJECT- LAKE CHELAN-WASH-
-#6524- L.D.LINDSLEY - FOTO-

seems to have been purchased by the National Bank of Commerce. The Bank kept about $45,000 worth of notes and sold the rest but continued to administer them. When the loans were paid off years later, all the money flowed through the National Bank of Commerce to the owners of the notes. These loans solved the short-term cash flow problem of the Land Company. Interest was paid on these loans over the years but the principal was not repaid until late 1916. The principal could have been paid off, of course, using the income from the Swalwell-Swartout land sale. But it appears that whenever excess cash accumulated it was immediately distributed to the Land Company shareholders as dividends. We will see that the shareholders received considerable profits over and above the return of the capital they originally invested.

The End of Irrigation Development

By the end of 1913, the Land Company shareholders seem to have decided to stop development work on the expensive irrigation system, which was at that point less than halfway to achieving the Water Company objective of irrigating 5,000 acres of land.

With the first installment of $200,000 on December 1, 1912, the Land Company permanently stepped into the black financially. These funds enabled the last major work on the irrigation system as some $90,900 was spent on the irrigation system and in land reclamation and orchard planting. However, after 1913 no further work was done on the irrigation

system. Nor were the loans from Backus and the Swalwell-Swartout Company paid off. Instead, the owners of the Land Company followed a two-pronged strategy. The first objective was to distribute as much money as possible to themselves as dividends, keeping the Land Company financial situation as lean as possible and justifying the cessation of irrigation development work. The second objective was to push for the creation a public irrigation district in coordination with the small landowners in order to fund completion of the irrigation system. The Land Company recommended that the new irrigation district issue $300,000 in bonds. They hoped to sell the Lake Chelan Water Company assets to the new irrigation district for probably $225,000. This would recover the money spent by the Land Company on creating the irrigation system to date, perhaps making a profit in the bargain. Then the Land Company could distribute those funds to the Land Company owners. This would offload responsibility for the irrigation system to the small landowners as well as unconscionably burden them with enormous debt while enriching the Land Company shareholders.

The October 1911 sale of 5,000 acres of land to the Swalwell-Swartout Company for $1,000,000 was never made public by the Land Company. This enabled the company owners to maintain the illusion of financial stringency and justify their ceasing expansion of the irrigation system.

The only mention of this large land sale occurred on January 25, 1912, when The Chelan Leader reported that R. H. Lord had sued the Wapato Irrigation Company for $65,000 in unpaid sales commissions. Most of the article talked about Lord negotiating sales of Indian allotment lands to the Wapato Irrigation Company. At the end of the article appeared the brief statement "Recently Messrs. Swalwell and Backus are said to have sold 5,000 acres of the land for $1,000,000, $200 per acre. Lord figures that he is entitled to a commission on this sale." The Chelan Leader reported on the progress of the case on September 19, 1912 and again on April 10, 1913 when a decision was announced awarding Lord $51,000. But in neither article is there any mention of the 5,000 acre land sale, the central issue in Lord's lawsuit. I have found no evidence that the newspapers or the small landowners and farmers of Manson were aware of this land sale or its significance. The mention of it in the newspaper on January 25, 1912 was sketchy and confusing and never mentioned the Lake Chelan Land Company as the seller. With complete silence on the part of the Land Company, the story and its possible significance seems to have been quickly lost in the rush of more immediate and pressing concerns. In this sense, it was almost a secret sale. Clearly, the Land Company didn't want the Manson community to know about this sudden and significant change in financial fortunes. The small landowners might have demanded that the Land Company complete the promised irrigation system. Very quickly, the Swalwell-Swartout

Company became a ubiquitous presence in Manson but it seems to have been assumed that they were a just another real estate company selling land for the Land Company. No one seems to have realized that they were selling land based on a massive purchase from the Land Company.

The entire story of this 5,000 acre land sale just dropped out of history. Mary Scherer, in her article on Richard Lord (2010 History Notes) wrote: "In 1912 Lord sued the Wapato Irrigation Company and the Lake Chelan Land Company, asking for $65,000 for the commissions owed him for arranging the sale of properties from the Wapatos to the two companies." Mary Scherer didn't have the advantage of seeing the court documents. The only way I found the facts of the Lord suit and details of the 5,000 acre land sale was by recently finding the court records on the internet (Lord v. Wapato Irrigation Co., 81 Wash. 561, 142 Pac. 1172). The newspaper reports were too confused and meager to make much sense of what was involved. The court records, by the way, show that on appeal Lord's award was reduced from $52,336.75 to $6,160.60 and he received nothing in commissions for the 5,000 acre land sale. The court considered that sale to be outside of the Brown and Lord Company contract with the Wapato Irrigation Company, since the 5,000 acre land sale was made directly by the Land Company to the Swalwell-Swartout Company and was not made by a real estate agent. The Court documents detail the complex Brown and Lord Company contract with the Wapato Irrigation Company as well as the details of the 5,000 acre land

sale and the payment terms and schedule of the $1,000,000 purchase.

Wrapping Up The Land Business

The sale of 5,000 acres of land for $1,000,000 payable in $200,000 annual installments beginning December 1, 1912 offered the Land Company and its owners immense returns on their original investment of $340,000. I mentioned earlier that as this money flowed into the Land Company they did not pay back the loans made by Backus and the Swalwell-Swartout Company to place the Land Company in a debt-free financial position. The Land Company apparently distributed as much money as possible as soon as possible to the owners as dividends. They probably distributed $120,000 to themselves in late 1912 after the first $200,000 payment was made. There is lots of evidence in the property records that the Swalwell-Swartout Company had taken title to the land and was actively advertising and selling land through 1913. I have found no evidence that the company was selling land after 1913. I am forced to conclude that Swalwell-Swartout decided to get out of the contract with the Lake Chelan Land Company and reached an agreement to that effect. A reasonable agreement would require a final payment of $200 per acre for all lands sold through 1913 and then a return of title of the remaining land to the Lake Chelan Land Company. The question then is how many acres of land was sold through 1913 and how many acres were returned to the Lake Chelan Land Company. I can only

estimate the numbers. My estimate of the total acreage owned by the Land Company was 6,860 acres, this number coming from the acreage included in the Lake Chelan Reclamation District map at its formation in early 1920. This corresponds to the round number often used by the Land Company of 7,000 acres in newspaper writeups and in advertising by the Swalwell-Swartout Company. The Swalwell-Swartout Company bought 5,000 acres of this land, with the option to choose which acres they took. This left the Land company with 1,860 acres in their name, less 116 acres they passed out to shareholders as dividends and 39 acres they sold, leaving 1,705 acres. I estimate that Swalwell-Swartout sold 3,334 acres of land through 1913 and returned 1,666 acres to the Land Company. At the $200 per acre purchase, Swalwell-Swartout owed the Land Company a total of $666,800 of which $200,000 had been paid on December 1, 1912. This left an obligation of $466,800. I assume that the agreement to close out the 5,000 acre purchase was reached by December 1, 1913, and that the final payment of $466,800 was made to the Land Company on that date. Then I assume that this money was immediately distributed to shareholders as dividends. This left the Land Company, and more especially the Lake Chelan Water Company that was dependent on it for funding, in a desperate situation. The Land Company stopped funding the expansion of the irrigation system when it was about half finished in terms to the acreage to be irrigated. The original stated goal of the Water Company was to provide adequate irrigation to 5,000 acres of

land. There are documented dividends in land of 116 acres and sales of land of 539 acres by the Land Company through the end of 1917 when the Land Company was put into voluntary bankruptcy. Using these numbers, the Land Company started with 6,860 acres, sold and distributed 155 acres, then sold 5,000 acres to Swalwell-Swartout in 1911, received back 1,666 acres from Swalwell-Swartout in late 1913, and sold another 500 acres in 1916. All this activity left the Land Company with 2,871 acres at the time of the voluntary bankruptcy filing in 1917. This last figure is the acreage detailed in the Tyler-Green mortgage of January 1917.

Wrapping Up The Irrigation Business

The other side of the Land Company owners' concerns was how to get out of their obligations to the Lake Chelan Water Company and the irrigation system the Land Company had created. The first newspaper report on this prong of the Land Company strategy came in The Chelan Leader, August 21, 1913.

Irrigation District Probably Solution. That Seems Most Feasible Method of Securing an Extension of the Wapato Highline.

So, this is our first indication that the planned irrigation system is in trouble. From our long-after-the-fact perspective, we know that money to proceed with the Highline Extension was not the problem. The problem was the unwillingness of the Land Company owners to complete the irrigation project. The article continues:

Joshua Green, of Seattle, one of the financiers of the Lake Chelan Land company, arrived in Chelan yesterday at noon, coming up from Wenatchee by automobile; and the committee appointed at the land owners' meeting last Saturday was at once called together to meet him in conference at the commercial club rooms in the afternoon. President Backus and others interested in the project and in the proposed extension were present also.

At this time LeRoy Backus was President of the Lake Chelan Land Company and the Lake Chelan Water Company and a 25% owner of the Land Company. Joshua Green was also a 25% owner and was Secretary of the Water Company. Also in The Chelan Leader on August 21, 1913 was this item:

Joshua Green, of the Lake Chelan Land company, accompanied by Mrs. Green, and Mrs. J. A. Swalwell and Miss Swalwell, came from Seattle Wednesday.

J. A. Swalwell was a 6.25% owner of the Lake Chelan Land Company. He was also the Swalwell of the Swalwell-Swartout Company that bought 5,000 acres of land in October 1911. Melvin Swartout was his father-in-law and partner in the Swalwell-Swartout Company. J. A. Swalwell was a banker and Melvin Swartout was a real estate operator, both in Everett, Washington.

Meanwhile, the push to set up an irrigation district continued. The Chelan Leader reported on February 19, 1914, "Landowners Meet Next Wednesday. Committee Calls Meeting

to Again Consider Matter of Forming An Irrigation District." Progress on this front was slow and an irrigation district would not be formed until early 1917.

A New Closeout Team

However, before an irrigation district could be established, momentous changes occurred at the Lake Chelan Land Company. By mid-1916 the ownership and management of the Land Company had dramatically changed. Manson Backus, the major owner of the Land Company (37.5%), was bought out by a man named C. B. Tyler, who I discovered lived in New Jersey. And Manson's son LeRoy Backus (25%) was bought out by a locally well-known entrepreneur named Fred Furey. Furey was named President of the Land Company. Furey had much experience in irrigation projects and land sales. Joshua Green remained an owner (25%) as did the Swalwell brothers, W. G. (6.25%) and J. A. (6.25%). Tyler and Green each gave 2 shares of stock to a Seattle employee of Tyler named Andrew Kennedy, who said in later court testimony that he managed a Seattle building owned by Tyler. Kennedy was named Secretary of the Land Company and was charged with acting in Tyler's interests. At some time a man named R. H. Gregory was made a stockholder and board member as well, according to court testimony during bankruptcy. Tyler probably gave Gregory a share or two of stock. This was done during the time of votes being taken in late 1916 by the Land Company board to accept a $120,000 loan from Tyler and Green and allow them to place

a mortgage on all the assets of the Land Company. Since Tyler lived far away in New Jersey, he may have wanted more than one person representing him on the board. Tyler and Green were working in tandem throughout this period but they needed a quorum for board meetings and a clear majority representing Tyler on the board. The role of the Swalwell brothers during this period is unclear, but they seemed to endorse the closeout strategy.

It took me some time to track down the identity of C. B. Tyler. I still don't know how he came to be involved with the Wapato Irrigation Project.

Cornelius Boardman Tyler (1875-1955) was born November 15, 1875 in Plainfield, New Jersey, the second son of Colonel Mason Whiting and Eliza Tyler. Mason Tyler was a wealthy and influential attorney. Both of his sons became attorneys. Cornelius graduated from Amherst College in 1898 and obtained his law degree from Columbia University in 1901. He and his older brother, William, both lived in Plainfield, New Jersey and had a law partnership in New York City. Cornelius married Susan Whittlesey of Pittsfield, New Jersey. As well as having a mansion in Plainfield, they had a 10-room home on a five-acre property on the edge of the Pittsfield Country Club, of which they were active members when spending their summers there near his wife's relatives. His obituary claims "He was in large part responsible for the irrigation developments that made possible the fruit growing properties

Sailing for Two Months in Italy

bove, left to right, C. B. Tyler and Mrs. W. A. Whittlesey bid bon voyage to Mrs. Whittle
Jean, center, on embarking for a two months' trip to Italy aboard the Vulcania, accompani

C. B. Tyler on the left

at Lake Chelan in Washington State." This claim seems to be completely false, since Land Company work on developing the irrigation system had ceased well before Tyler became a 37.5% owner of the company in mid-1916. His obituary also says he was the President of the Chelan Orchards Company the company that bought the assets of the Lake Chelan Land Company in early 1920. I've found nothing in my research to substantiate this claim. Chelan Orchards was wholly owned by William Calvert Jr., who was also a board member of the National Bank of Commerce in Seattle. Cornelius B. Tyler inherited a considerable amount of wealth and doesn't seem to have worked in the normal sense of the word at any time during his life. His obituary continues "He was active in civic affairs both in Pittsfield and Plainfield, and was a former president of the Plainfield Public Library and Reading Room and from 1922 to 1936 served as president of the Plainfield Community Chest." He was one of the directors, and presumably a stockholder, of the Plainfield Trust Company.

Fred H. Furey (1884-1960) was a very active entrepreneur in central Washington state. He seems to have operated with considerable money. He was involved in real estate sales early on and perhaps this is the source of his seeming considerable wealth. He became acquainted with Louis Hill, who took over as President of the Great Northern Railroad from his father James Hill in 1907, and Fred worked with Louis Hill on an irrigation and land sales project in the Brewster area along the Methow river around 1910-1914. He was deeply involved with

the Immigration Division of the Great Norther Railroad, which was doing a lot to encourage economic development along the railroad routes they planned to put in place. The Great Northern and Louis Hill himself were VERY involved with promoting irrigation and agricultural developments and with encouraging immigration, following the example set by his father James J. Hill. Louis Hill was the President of the National Apple Show association and attended its conventions held in Spokane, Washington. The first such convention was held in late 1908. On August 11, 1909 the Wenatchee Daily World reported that "E. C. Leedy, brother of C. A. Leedy of Sunnyslope, who is connected with the immigration department of the Great Northern, was in the city the first of the week and while here had a conference with members of the commercial club in reference to the exhibition cars that are now being prepared by the road. There are to be two of them, one for Montana and one for Washington. It is the plan of the Great Northern to have these filled with the products of these two states and send them down through the east and middle west." This is one example of the Great Northern Railroad's efforts to popularize the western lands and encourage commerce and immigrants.

A photo and description from 1914 shows Louis W. Hill in an open automobile in front of the Hotel Chelan, later named the Campbell Hotel. Along with Hill in the car were Charles Mantell, a Wenatchee auto dealer and driver, W. P. Kenney, a Vice President of Great Northern, Fred Furey, then of Brewster,

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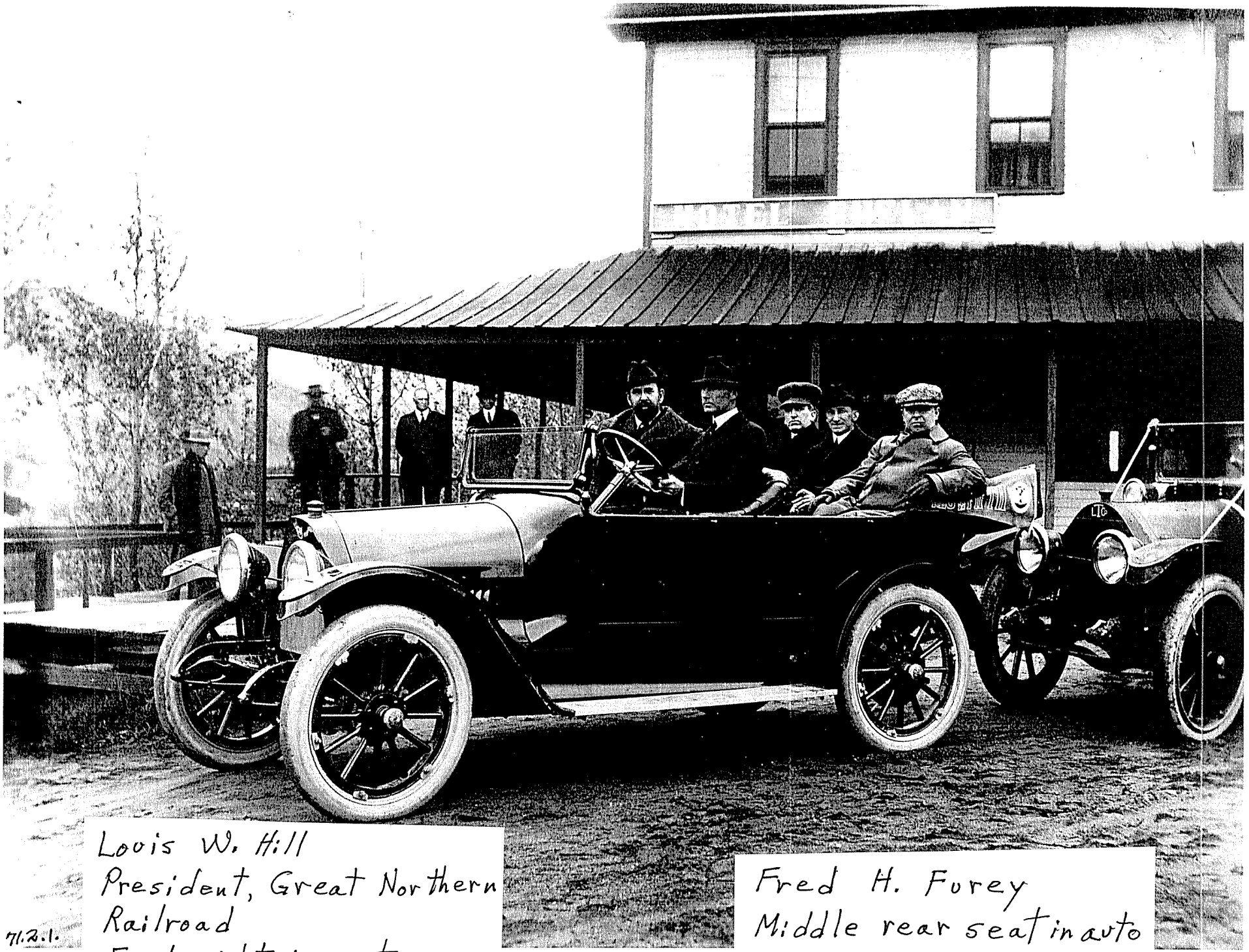

Louis W. Hill
President, Great Northern
Railroad
Front right in auto

Fred H. Furey
Middle rear seat in auto

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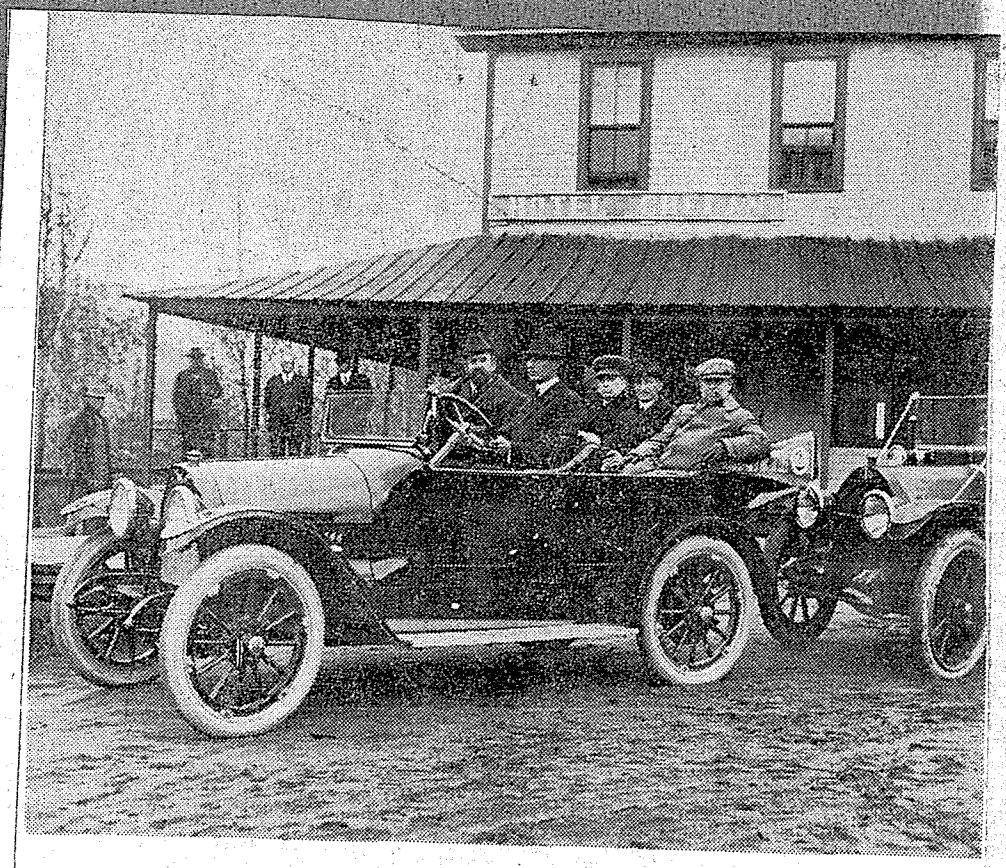

1914; HILL TOURS NCW 1914

This 1914 picture shows Louis W. Hill, then president of the Great Northern Railway Company, and other company officials leaving Hotel Chelan, now the Campbell Hotel, in Chelan on an auto tour of the Wapato Irrigation Project, the Methow Valley and the upper Okanogan County. In the front seat with Hill is the driver, Charles Mantell. In the back are, from left, W. P. Kenney, vice president in charge of traffic; Fred Furey, now of Brewster, who was in charge of developing orchard land for Hill in the Methow Valley, and Ralph Budd, chief engineer. Kenney and Budd later became presidents of the railway company. On the steps of the hotel is Judge C. C. Campbell (with no hat), father of Arthur C. Campbell and grandfather of Dan and Art Campbell, who still own and manage the hotel. Hill and party came to Chelan in April upon completion of the railway line from Wenatchee to Chelan, the first phase of constructing the line through to Oroville. In addressing a group at a dinner meeting in the Hotel Chelan, Hill suggested that Lakeside and Chelan consolidate and the name Chelan be chosen as the town's name. He also suggested that the upper end of the Lake Chelan country be set aside as a national park. (Picture from Walter R. McCallum's collection.)

and Ralph Budd, chief engineer of Great Northern. Furey was guiding the party on a tour of the Wapato Irrigation Project, the Methow Valley and the upper Okanogan County.

During bankruptcy proceedings in 1918-1919, Fred Furey testified in court that he invested in the Land Company on the assurance that, as President, he would have a free hand to run things. His actions suggest that he understood his primary role to be the sale of land, although he did fund maintenance and minor development work on the irrigation system which underpinned his efforts to sell land, drawing the ire of the other owners. He started out with a bang but soon found Tyler and his "stooges" (as he called them in court testimony) on the board interfering with his actions and objecting to his spending any money on the irrigation system.

A month after Fred Furey became President of the Land Company on June 12, 1916, he held a Fiesta Arborea in Manson during the period July 10-15. Mr. Furey's energy in organizing this week-long event is evident from the newspaper reporting. The Chelan News Leader on July 7, 1916 announced:

Chelan Boosters Will Visit Manson. All Stores and Business Places in Chelan to Close Monday Afternoon. There will surely to be big and interesting doings at Manson on Monday, July 10th. It has been especially set aside at the big Fiesta Arborea as Lake Chelan Pioneer Day, the intention being to, in a sense celebrate the development of the Lake Chelan basin and in part to afford a reason and an opportunity for the people in the

Chelan Valley, to get together informally, renew old acquaintance. A special program of sports, horse races, fireworks, dancing, music and speaking has been arranged for in honor of the occasion. The Indian encampment and a Wild West show from Omak will be on the job Monday, as added attractions.

On July 14, 1916 The Chelan News Leader reported:

Auctioning 96 acres of land off in small parcels in 12 minutes is the record established at the first day of the land auction being held by the Lake Chelan Irrigated Lands at Manson (on Lake Chelan). The prices bid ranged from $150 to $500 an acre. The first day's allotment was snapped up with remarkable rapidity by eager land buyers. Auctioneer William E. Hughes of Pontiac, Illinois, remarked after the sale "I've never in my life seen people who seemed so eager to get what they wanted in the way of land. These folks sure know a good thing when they see it."

Without a hitch the land went in small parcels at the rate of eight acres a minute, considerably exceeding the record set by the land company's slogan of "An Acre a Minute." With the auctioning continuing to July 15, undoubtedly the high water mark in Washington land sales will be attained at Manson.

The first day of the annual Fiesta Arborea opened with a bang—the automobile parade being one of the biggest and best ever held in North Central Washington. Chief Wapito Pete, titular head of the Chelan tribe of the Wapito Indians [Peter Wapato,

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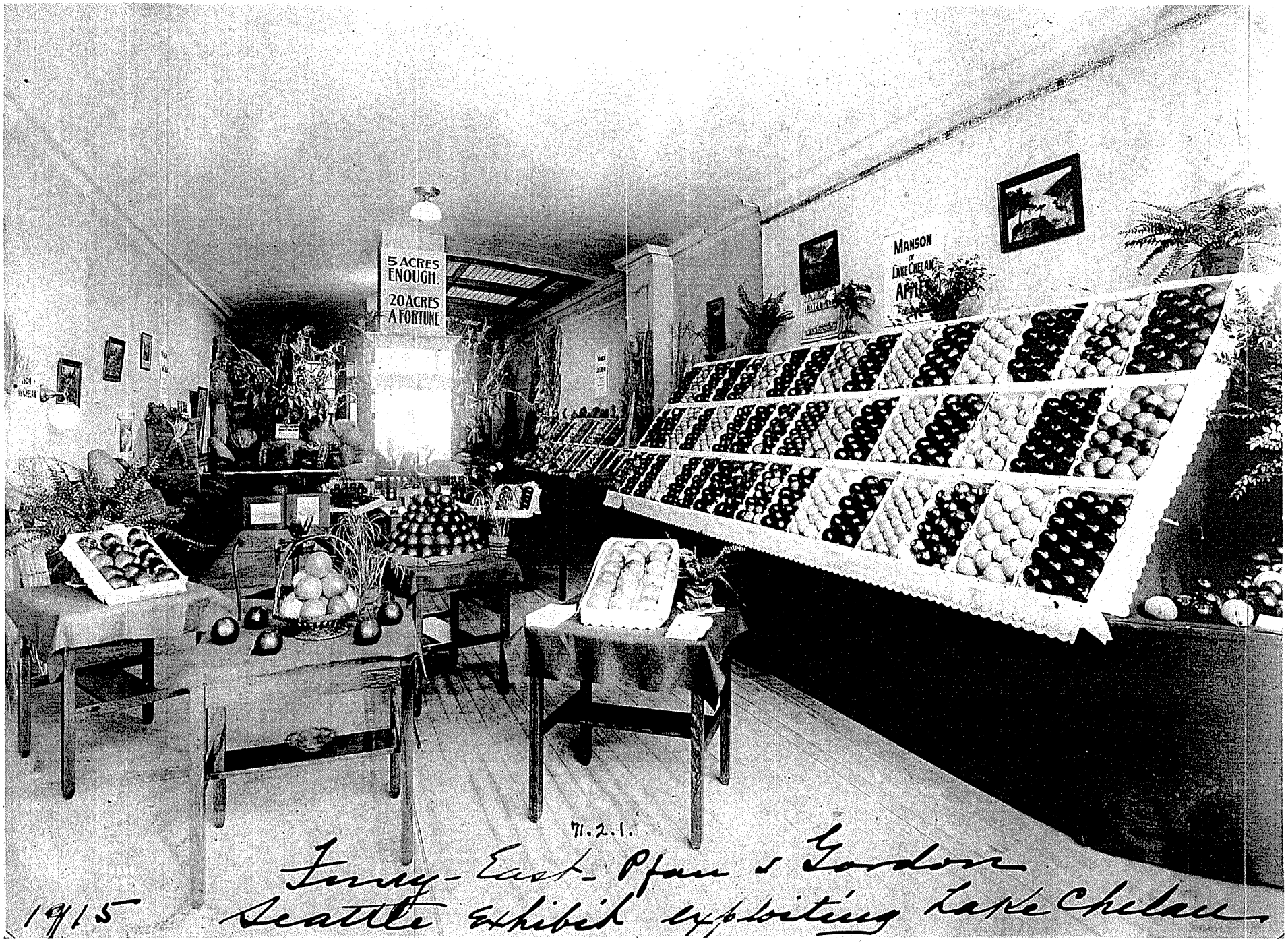

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Jimmy - East - Pfau & Gordon
1915 Seattle Exhibit exhibiting Lake Chelan

21

third son of Wapato John and chief of only his own family] delivered an address of welcome which was responded by A. N. Banks, of Manson.

The day's celebration was closed with a magnificent display of set piece fireworks on the lake and dancing in Manson's municipal pavilion, built over the lake.

Granted that much of this verbiage came directly from Fred Furey himself, it nevertheless goes to show the extent to which Furey went to create an extravaganza to attract people from near and far in order to popularize the area and to sell as much land as possible as quickly as possible as the new President of the Lake Chelan Land Company.

Also on July 14, 1916, The Chelan News Leader further reported:

The Manson Celebration has been a great advertisement for all the Lake Chelan region as the Great Northern [Railroad] has distributed the advertising through many states besides selling many excursion tickets within the state. Tickets could be bought in Seattle for Chelan for 34 cents less than the regular fare to Wenatchee and the buyer was obliged to come to Chelan to have his ticket validated for the return trip.

The Great Northern Railroad Immigration Department under GNR President Louis Hill was working with Furey to advertise the Fiesta Arborea at Manson and to subsidize travel to and from the event across the country. Furey had worked with

Louis Hill personally and with GNR previously on similar land sales and immigration campaigns in the Methow region. Hill worked very extensively across the Western United States to encourage irrigation, land reclamation, land sales and immigration along routes over which he had built or planned to build railroad lines. Hill wanted to establish successful farms and businesses that would use his railroad for shipping goods to the eastern United States.

The July 21, 1916 Chelan New Leader gave a post-event report:

Sold 500 Acres At Manson. Good Crowd at Manson's Land Auction. Fred H. Furey, head of the Lake Chelan Land company, is in Wenatchee today in company with the members of the sale organization including Messrs. Geo. H. Pfau, A. H. East, Gordon and Inlow. Mr Furey states that the company sold a total of 500 acres during the land auction of the past week. He states that as soon as the Great Northern put on the special train to Lake Chelan, there was a good crowd in attendance at the auction every day. William Hughes, the Illinois auctioneer who handled the sale, is leaving for his home today. Before going, however, he purchased a 26 acre tract of Lake Chelan land.

On July 28, 1916, The Chelan News Leader reported:

Mr. Hughes, who auctioned land for the F.P.E.G. Co. [Furey, Pfau, East and Gordon Company, real estate] *during the celebration, purchased the LeRoy Backus tract adjoining Manson, before his return to Springfield* [Illinois].

So, Furey was using his own real estate company for the auction and sale. Presumably, this led to considerable sales commissions for his company. If the previous terms of sale applied to this 500-acre sale, then 25% of the sales price would be made in down payment. Since the sale prices ranged from $150 to $500 per acre, we may estimate an average price of ($150+$500)/2=$325 per acre. And this would make for sales of $162,500. Previous Land Company sales commissions were 5% of sales or in this case $8,125. At 25% down payment the cash received would have been $40,625 leaving $32,500 in cash profit for the Land Company. The remainder, $121,875 would have been due at 7% interest over five years. There is court testimony from Joshua Green that the Land Company held a total of about $150,000 in land contracts at about this time.

This great burst of land sales, however, would also be the last.

The Closeout Strategy Tightens

In July of 1916 the National Bank of Commerce under President Manson Backus sent a notice to the Lake Chelan Land Company that the bank was demanding full payment in six months, on January 1, 1917, on a $60,000 loan he made to the Land Company in 1912. The Swalwell-Swartout Company had also made a loan to the Land Company in 1912 of $50,000. Although the notes had been purchased by the National Bank of Commerce and then most of them resold to others, the bank continued to manage all of the debt as an agent for the actual owners. Land Company owners and board members Furey,

Tyler and Green took this demand to apply to the entire $110,000 in debt. This interrupted any further retail land sale plans that Furey may have had. The immediate objective now was to quickly find the money needed to pay off the $110,000 in debt.

Furey had already set in motion one more promotional event, however. The famous author Mary Roberts Rinehart, her husband and their three sons were scheduled to pass through the area on a cross-country tour from their home in New York City to the rugged Cascade mountains in Washington state. This promotional tour was arranged with the Great Northern Railroad and would result in an articles for Cosmopolitan Magazine and a book called Tenting Tonignt. A cameraman from the International Film Company was along to take pictures and film of the trip. Lawrence Denny Lindsley was also employed by Great Northern Railroad to take pictures of this trip in the North Cascades. The Chelan News Leader for August 15, 1916 reported:

Her visit to Lake Chelan will furnish material for description articles which will make the beauty and grandeur of our scenery known throughout America, and will help to make this lake a great national resort.

The report in The Chelan News Leader of August 22, 1916, continues the story:

Mary Roberts Rinehart and party were met at Wenatchee Sunday afternoon by Mr. and Mrs. Furey and after a pleasant

trip up the Columbia by auto, arrived in Manson about 8 p.m. Dinner was served them at Wapito [Wapato] Inn. Monday forenoon was spent in driving over the project and soon afternoon the party boarded the Mohawk for the trip uplake.

On September 19, 1916, The Chelan News Leader reported:

The Furey, East, Pfau-Gordon Co. have dissolved partnership and Mr. Mussen drove to Wenatchee on Tuesday with the furniture which had been in use in their office. Mr. Furey will remain in Manson as president of the Land Company. Mr. East and Mr. Enslow returned to their home in Springfield, Ill., where they will continue the sale of orchard tracts here. Mr. Pfau returned to Wenatchee and will also continue to sell land for the company, and Mr. Gordon will be here a few days or until the business of his company is straightened up.

Furey now seems to have turned to the task of finding a wholesale buyer of land in order to pay off the $110,000 in loans sitting on the Land Company books. The Chelan News Leader of October 5, 1916 reports:

Mr. Furey, president of the L. C. L. Co. [Lake Chelan Land Company] spent last Friday [September 29] in going over the project with L. W. Hill of the Great Northern.

Furey may have set up this tour of the Wapato Irrigation Project by Louis Hill before the issue of loan repayments reared its head, but now it was clear that Furey needed more than

promotional help from his friend Louis Hill and Furey may have begun broaching a possible land investment deal with Hill.

In any case, the next step in the saga is reported in The Chelan News Leader for November 30, 1916:

Mrs. Furey drove to Spokane last week and met Mr. Furey upon his return from St. Paul [the home of Louis Hill and the headquarters of the Great Norther Railroad], *and after attending the Apple show returned to Manson Sunday.*

Presumably, Fred Furey made a direct appeal and showing to Louis Hill or his company executives seeking a major investment of cash. A purchase of 500 acres of land at $200 per acre would generate $100,000. This should have been enough, along with the Land Company's cash on hand, to enable the repayment of the $110,000 loan with any accumulated annual interest at 6%. The ultimate amount paid by the Land Company to reclaim the loan notes was about $116,000. However, December 1916 came and no large land sale had been made.

The Tyler-Green Scheme To Pay The "Backus" Debt

On December 30, 1916, C. B. Tyler and Joshua Green each signed checks made out to the Lake Chelan Land Company along with 12 pay-to-bearer notes of $10,000 each with annual interest at 8%, payable semi-annually, and the principal due in one year. As collateral for this $120,000 loan they demanded that the Land Company sign a mortgage on all of its assets, including land and land sales contracts. The mortgage detailed

2,970.56 acres of land. The amount of the sales contracts on the Land Company books was not specified. Further, the lenders demanded that all income of the Land Company, whether from land sales, land contracts, sales of fruit from orchards, or any other source be deposited in the Green and Tyler Trust Fund in a Seattle bank. Thus, the Land Company was to have access to no income. Obviously, this also meant that the Land Company could not meet its contractual obligations to the Lake Chelan Water Company which maintained and operated the irrigation system and was planning to expand the system beyond the 2,198 acres then irrigated to the full 5,000 acres specified when the Water Company was established. Tyler and Green, along with Andrew Kennedy and R. H. Gregory and the Swalwell brothers and with a reluctant Fred Furey, imposed this $120,000 loan and the associated mortgage on the Land Company. The funds were immediately used to repay the $110,000 loans from 1912 along with accrued interest at 6%, a sum of about $116,000. The remaining $4,000 was placed in the Land Company account to enable the company to operate for the next 5 to 6 months, which was anticipated to be the time needed to find a new investor or large buyer, after which the mortgage loan of $120,000 would be paid off. Fred Furey was tasked with finding an investor or large-scale buyer to accomplish this. Paying off the Tyler mortgage would do nothing, of course, to fund the full development of the irrigation system.

The Tyler-Green Scheme For The Irrigation System

That was the state of the Land Company and the Water Company in January 1917. Now let us turn to the irrigation system under the ownership of the Lake Chelan Water Company. The Land Company still owned the majority of the shares in the Water Company and therefore held control in their hands. This situation had been a point of contention between the Land Company owners and the farmers for some years.

Joshua Green was in charge of finding a way for the Lake Chelan Land Company to offload its obligations to the irrigation system now owned and managed by the Lake Chelan Water Company. His goal was to do this in a way that made a profit for the owners of the Lake Chelan Land Company.

A brief review of the irrigation project may be in order. On August 11, 1910, The Chelan Leader reported:

Marvin E. Chase, engineer-in-chief of the Wapato project, came up the first of the week to inspect the work now being done on that system.

The following optimistic report appeared in the June 19, 1913, issue of The Chelan Leader:

There Is Water For The Whole Valley. Flow of Creeks Appropriated by Wapato Company Is Ample for All Land Possible of Irrigation. At present only a portion of the water from two or three creeks is turned into the big supply flume, and

although irrigation is in progress on the lowline unit of the project, the levels of both Wapato lake and Antilon lake reservoirs are being steadily raised. Of course the highline unit is not yet complete and no water is being used, but the proportion of water which has been allowed to run to waste this year for want of storage is far in excess of the proportion of land on the project not yet watered. It is confidently predicted by those familiar with conditions, that the project will be extended within the coming two years.

Recall that it was just two months later, in August 1913, that Joshua Green was reported to be pushing for the formation of an irrigation district to take over the irrigation system. The Chelan Leader of August 21, 1913, ran the headline "Irrigation District Probable Solution That Seems Most Feasible Method of Securing an Extension of the Wapato Highline". It took some time and some supportive financing from the Land Company, but The Chelan News Leader of February 15, 1917 reported with the headline "Irrigation District Organized". The March 15, 1917 Chelan New Leader reported:

Marvin Chase of Richmond Beach, a widely known engineer, paid a short visit to Manson Friday, addressing the men on the subject of Irrigation Districts, at the hall.

During the court proceedings relating to the bankruptcy of the Land Company, one of the attorneys stated that soon after the formation of the Irrigation District, Marvin Chase was asked to estimate the funds needed to expand the irrigation system to

provide water for the 5,000 acres originally contemplated at the formation of the Lake Chelan Water Company. Marvin Chase, the attorney stated in court, estimated the cost at $75,000. Almost immediately, a public vote was held on the issuance of bonds to raise money for the Irrigation District. The Chelan News Leader on March 22, 1917 reported:

The election for the voting of a $300,000 bond for the Lake Chelan Irrigation District was held at the schoolhouse Saturday and resulted in a unanimous vote for bonding.

Joshua Green had managed to get the Irrigation District formed and saw them adopt a huge bond issue. One has to ask: why $300,000 in bonds when the engineer Marvin Chase estimated that they needed $75,000 to complete the irrigation system to provide sufficient water to the full 5,000 acres of land originally contemplated? The answer, I think, is that the Joshua Green of the Water Company was offering to sell the Water Company assets to the Irrigation District for $225,000. It is unclear from the public record just how much had been spent on the irrigation system, but the number $225,000 is probably in excess of the cost of developing the assets then in place. In any case, a $225,000 sale of assets would pay off the Tyler mortgage and allow for additional dividends to the Land Company owners.

In later court testimony, Fred Furey's remarks are summarized as follows:

Latter part of May [1917] *came over to Seattle and wished to resign as president of the land company. Called up Green on the phone and had a conference with Mr. Calvert* [William Calvert, Jr., who would later purchase the Land Company assets at auction under the name of Chelan Orchards] *and Mr. J. A. Swalwell in the Rainier Club on Saturday night. On Sunday morning called Green up and Green asked me to come up to his house. Green insisted upon my going east immediately to try and dispose of the Lake Chelan Irrigation District Bonds. I told Swalwell and Kennedy about it and they both agreed with Green that I should leave immediately and go east and dispose of those bonds for the irrigation district. I believe there is something like twelve hundred due the Lake Chelan Land Company for money advanced the irrigation district. The district was organized and there was no money for them to go ahead and carry on their organization, and it was agreed by Mr. Swalwell, Kennedy and Green that the land company was to advance sufficient money to perfect the organization and carry on the running expenses up to a certain period.*

Fred Furey had long been a land developer and salesman working with Louis Hill, President of the Great Northern Railroad. Those efforts always involved real development activities leading to workable and profitable farms that could ship their products to markets across the country on the Great Northern Railroad. This was the Louis Hill model, helping the farmers to use scientific methods and select the best crops and livestock. Furey seems to have been disgusted with the Tyler-

Green-Swalwell cabal whose only interest was pulling out as much money as possible and leaving the land buyers and farmers with a half-finished irrigation system and a massive load of debt. I haven't found anything in the public record whether Fred Furey made a trip east to sell the Irrigation District $300,000 in bonds. My guess is that he did not make any such trip. And, in fact, none of the bonds were ever sold.

R. S. Ludington was an attorney based in Wenatchee who was reportedly working with those who formed the Irrigation District. Rowland Ludington attended MIT and Union College of Law (now Northwestern University). He practiced in Chicago before coming to Wenatchee in 1908, and was a founder of the Wenatchee Golf and Country Club. He was severely criticized by Andrew Kennedy in court testimony as the man who spoiled the plan for selling the Water Company to the Irrigation District. Andrew Kennedy, Tyler's agent on the board of the Land Company, in summarized testimony stated "Thinks the Irrigation District would have gone through if Mr. Ludington had kept his fingers out of it."

Wayne Stanford (History) provides some background to the events we have been recording here.

Like many other irrigable areas of the state, the land to be served by the Lake Chelan Reclamation District after 1920 had its initial development by private speculative companies. These promoters were attracted by the hope of large profits from land

sales at inflated prices once water was supplied to the land. (page 36)

The experience of early private companies and the high cost of developing later projects brought the realization that private capital would be able to do hardly anything more to develop irrigation. But at the end of World War I, with good prices prevailing for farm products, there was a steady increase in the demand for irrigated land. Out of this agitation came the State Reclamation Act of 1919, which placed the state in a position to make loans to existing irrigation districts and to aid in the development of new districts. The act declared the reclamation of land "...to be a State purpose and necessary to the public health, safety, and welfare of its people." (page 32)

A State Reclamation Service was authorized and a Reclamation Revolving Fund was created by the levying of a tax of one-half mill on all taxable property in the state. The legislation appropriated $100,000 to be placed at once in the revolving fund. The half-mill levy was to run for ten years or until the fund equalled $5,000,000. (pages 32-33)

<u>Furey Seeks A Way Out</u>

In the Court Brief of Respondent during bankruptcy proceedings, C. B. Tyler's attorney wrote:

The company continued its business as usual course under the management of Mr. Furey as president, until the middle of August, 1917, when a transfer of 550 acres of the company's

lands, valued at approximately $93,000.00 was made by Furey, representing the company, to one George D. Brown in exchange for Furey's stockholder note of $84,500 with accumulated interest, which he traded to Brown for the purpose of enabling the latter to turn it in to the company as payment for the land.

Thus, Furey would be cashed out of his Land Company interest and Brown would become a new 25% stockholder in the company. That was the plan. Brown purchases 550 acres of land from the Land Company, buys out Furey's 25% interest in the company for cash and then deposits the ownership note with the Land Company as payment for the 550 acres of land, effectively putting the 550 acres of land back on the Land Company books. The Land Company receives no cash, but has a new 25% owner. Perhaps the biggest sticking point here was the arrival of a new owner on the scene.

As soon as this became known to Green, Kennedy and Tyler, Furey was summoned to Seattle.

Furey later testified "I was very anxious to dispose of my note because Mr. Green had threatened to make it very unpleasant for me and I was getting a good price for my note." "I was getting away from the antagonistic interests of Mr. Green and Mr. Kennedy towards the company that I had a one-fourth interest in, and the company owed me $92,000."

Tyler's attorney, in late August, challenged the legality of the Brown transaction, citing the mortgage that Tyler held on all the Land Company assets, and filed for foreclosure on the

mortgage citing nonpayment of interest. Furey testified that "Green forced me to sell a note of the same denomination [apparently $92,000] to Mr. Tyler." This voided the Brown transaction and gave Tyler 62.5% of the shares of the Land Company.

Tyler Orders Voluntary Bankruptcy

Upon reflection, Tyler's attorney withdrew the filing for foreclosure on the mortgage, realizing the nonpayment of interest argument would probably not stand up, and instead made a filing on September 13, 1917, for voluntary bankruptcy under Chapter 7. Under Chapter 7, one declares that the business is being shut down. This requires the court to appoint an independent trustee to oversee the assets of the company until all the assets are liquidated and any debts paid off. There is no assertion that the company is out of funds or cannot sustain itself or anything of that sort. It just means that the majority ownership, C. B. Tyler, has decided to close down the business and sell off the assets.

The Lake Chelan Water Company, owned mostly by the Land Company, was not directly involved in the bankruptcy. The stockholders in the Water Company included the Land Company and numerous small landowners and farmers.

Trustee Appointed

The court quickly appointed a trustee for the Land Company, Walter M. Olive.

Walter M. Olive (1875-1922). His obituary reads "He came to Old Mission, now Cashmere, in 1898 from St. John, New Brunswick, Canada. For many years he was in the hardware business at Cashmere and for three years was postmaster. Later he was engaged in the real estate business in Wenatchee. He was very successful in this business and represented some of the largest owners in the district. Six years ago he was appointed trustee of the Lake Chelan Land Company and moved to Manson. He purchased 150 acres of orchard land and organized the Olive Apple Company of Chelan, a shipping concern, to handle his own and other fruit. He was manager of the Manson Telephone Company and a director of the Lake Chelan reclamation district." His brother was Leonard Olive, who headed up the Lake Chelan Land Company land reclamation, planting and crop maintenance program. His brother-in-law was Marvin Chase, one of the principal civil engineers consulted periodically by the Lake Chelan Land Company and by the farmers at Manson. Another brother-in-law was C. C. Ward, a civil engineer who worked for the Lake Chelan Land Company and lived for several years in Manson. Walter Olive was a graduate of McGill College, Montreal, Canada, class of 1895. He died at age 47 in an auto accident while traveling to Spokane on business.

Tyler's attorney wrote in a court document: "After the election of a trustee, the respondent's mortgage having been bitterly assailed by Mr. Ludington as attorney for Mr. Furey and others, the trustee secured an order upon respondent to show cause

WALTER M. OLIVE

1875-1922

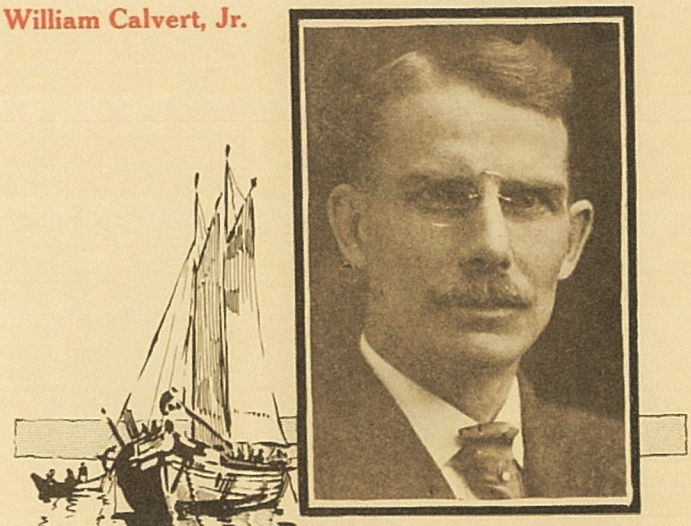
why the property should not be held by the trustee free and clear of the lien of his mortgage." This led to a two-year court battle ending in the court supporting the legitimacy of the Tyler mortgage. Many of the insights into internal Land Company actions and conflicts come from testimony recorded in this court case (U.S. Court of Appeals For the Ninth Circuit, No. 3223).

Assets of the Land Company Sold At Auction

After the Appeals Court ruling in early 1920, the assets of the Lake Chelan Land Company were placed up at auction. The purchaser was William Calvert, Jr., who we encountered earlier, another National Bank of Commerce board member. The land along with the land contracts were purchased for $325,000. Presumably, the purchase included 2,871 acres of land, as listed in the Tyler mortgage, and an estimated $22,000 in land contracts held by the Land Company. This would represent a payment of about $105 per acre for the land.

William Calvert, Jr. (1868-1933). A notice in the Seattle Municipal News of July 1, 1933 describes him this way: "one of the dominant figures in Seattle and Northwest business circles, died suddenly Wednesday night. He was a pioneer of the fishing industry in Puget Sound and Alaskan waters. He was one of the organizers of the Pacific National Bank." A writeup by his brother Frank in a book published in 1911 describes William as the "president of the San Juan Fishing and Packing Company" "one of the largest independent concerns on the

William Calvert, Jr.



TAKING a remarkable success where many before him have failed, William Calvert, Jr., president of the San Juan Fishing and Packing Company, may be classed as a conspicuous example of what it is possible for a young man to achieve in a short span of years. In the last decade he has brought the San Juan Company upward in prominence until now it is one of the largest independent concerns on the Pacific Coast, owning many of the best trap locations on Puget Sound, conducting canneries and cold storage plants, and operating its own fleet of vessels to the halibut banks of British Columbia and southeastern Alaska. ¶ Mr. Calvert is also president of the Pacific Ice Company, and has other extensive business interests. His home is at Seventeenth Avenue North and East Highland Drive. Mr. Calvert's father was born in Montreal, Canada, which was also the birthplace of the son. Mrs. William Calvert, Sr., came to America from Scotland. The family came to Seattle in 1889, the year fire swept the city. ¶ In 1896 Mr. Calvert married Miss Edna L. Cragin, and their trio of children are Laurence C. Calvert, aged 14; Starr H., aged 10, and William Calvert, the second junior, five years old.

Pacific Coast" "conducting canneries and cold storage plants, and operating its own fleet of vessels to the halibut banks of British Columbia and southeastern Alaska. Mr. Calvert is also president of the Pacific Ice Company, and has other extensive business interests. The family came to Seattle in 1889, the year fire swept the city." William was also a director of the National Bank of Commerce in Seattle along with Manson and LeRoy Backus, Joshua Green and J. A. Swalwell.

William Calvert, Jr. sold land and operated Chelan Orchards. His son Starr Calvert often visited the Manson properties. William Calvert Jr. died on June 28, 1933, after which his wife owned the properties. She seems to have sold off her Manson properties by sometime in 1937.

Disposition of Assets Of The Water Company

After the auction sale of assets was completed but before the funds were distributed, Joshua Green, acting as a major investor in the Lake Chelan Land Company and as Secretary of the Lake Chelan Water Company, met with representatives of the newly formed Lake Chelan Reclamation District to negotiate the claims they had against the Land Company and to determine the disposition of the assets of the Water Company. The Lake Chelan Irrigation District had been dissolved in 1919 and the Lake Chelan Reclamation District formed in 1920.

The Chelan News Leader reported on January 22, 1920:

Manson Irrigation Settles All Conflicting Claims

After negotiations the last several months, an agreement has been entered into between the officials and creditors of the Lake Chelan Land Co., and the owners of the land in the Manson Reclamation district by which the financing of extensive improvements to the water supply of the district are provided for.

Last Friday and Saturday attorneys representing the Lake Chelan Land Co.; the Lake Chelan Water Co.; Joshua Green and C. R. Tayler met with representatives of the land owners and the directors of the newly organized Reclamation district at Chelan. The conference lasted two days, almost continuously and at its conclusion an agreement was finally reached.

The agreement has been signed and confirmed by the principals and everything has been cleared up so that the disagreements and differences of all the parties have been finally settled.

Under the terms of the agreement, the Trustee in Bankruptcy will be authorized to advance $50,000 for the purpose of improving the water system. An additional $75,000 will be raised by a bond issue, making a total of $125,000 which will be expended in extending the main canal of the system, and thus securing an ample supply of water for the land now under cultivation.

Salvaging The Irrigation System

"By this time, the [Lake Chelan Reclamation] district boundaries included 6,860 acres. Of this acreage, only 2,198 acres of the

4,359 acres that were classed as irrigable were being irrigated." (Richard Uhlhorn, "Irrigation district survives 88 years of operation," page 40, in Centennial Celebration, booklet published in 2020 by the LCRD and the LCHS). The irrigation system at this time was less than halfway to the goal of irrigating 5,000 acres as originally proposed when the Lake Chelan Water Company was formed. The estimate presented by civil engineer Marvin Chase to the Lake Chelan Irrigation District in early 1917 estimated the cost of completing the irrigation system at $75,000. This estimated cost had dramatically increased from $75,000 to $125,000 or more, since it is unclear if the $125,000 investment contemplated would irrigate the full 5,000 acres.

In any case, the goal of selling the Water Company for profit to the Land Company owners had been abandoned. Uhlhorn states on page 40, that the Lake Chelan Water Company "acquired the assets of the Lake Chelan Water Company for the sum total of $1." However, the landowners and farmers in the LCRD were left with a half-capacity irrigation system that was inadequately constructed to survive droughts, washouts, and forest fires along with natural wear and tear. Completing the capacity of the system was only the first step. Strengthening the system with improved reservoirs to deal with droughts, concrete-lined canals to resist washouts, and fire-resistant flumes to survive forest fires as well as reconstruction costs for damaged infrastructure would all require a lot more money and

a lot more debt since the farming community could not self-finance the large sums required.

The fact that the Lake Chelan Land Company had essentially quit developing the irrigation system after 1913 is a critical fact. The Land Company had signed a $1,000,000 deal with the Swalwell-Swartout Company in September 1911, to begin receiving $200,000 per year beginning December 1, 1912. This contract would have provided plenty of money to complete the irrigation system and put a strong and viable irrigation system in place. The Land Company owners irresponsibly distributed the Swalwell-Swartout payments as dividends, abandoned the Wapato Irrigation Project and the farmers who took the Land Company's assurances at their word. Having purchased land and begun farming on assurances of a completed irrigation system, the farmers and small landowners were hung out to dry. The years that followed saw many farmers lose their land and those who remained struggle mightily to succeed through the following years of drought, washouts, forest fires and the accumulation of Lake Chelan Reclamation District debt for which landowners were responsible.

The Federal Solution

The Reclamation District had more and more to turn to pumping water from Lake Chelan to supplement the inadequate runoffs supplied by uplake streams as the climate changed and winter snowfalls declined. The Reclamation District could not find buyers of its bonds on the financial

market and had to turn to Washington State for help. By 1930 "The bonded indebtedness of the district to the state equaled $205,000" (Uhlhorn, "Irrigation District,"page 43). From 1931, the District periodically financed engineering studies to assess the financial viability of switching wholly over to pumping water from Lake Chelan. But not until the 1966 was a long-term solution found. Through negotiations with the Federal Government Bureau of Reclamation, the irrigation system became the Chelan Division, Manson Unit of the Chief Joseph Dam Irrigation Project, with the Lake Chelan Reclamation District as manager of the system. Uhlhorn relates (page 46):

In June of 1969, the first appropriation for construction was approved by Congress for the new system. Not completed until 1976 at a cost of $18,778,000, the district continued to rely on the old collection system; it was hit again by a major 1970 forest fire that burned 1,950 feet of flume line and destroyed five trestles. When finally completed in 1976, the new system included 73 miles of pipeline, 10 miles of drains, 13 pumping plants, and 13 reservoirs that served a total area of 6,336 acres.

The Wapato Irrigation Project finally became a sustainable system capable of irrigating more than the original 5,000 acres contemplated by the Lake Chelan Water Company. The original backers of the project abandoned a half-finished, financially unsustainable system to the tender mercies of the small farmers who relied on the Land Company's promotional literature and verbal promises. The Land Company owners,

unfortunately, had no stake in the success of the Manson apple growing and farming community. They extracted profits from land sales and walked away. Many small farmers couldn't make it through the Great Depression years and lost their lands. In the end a federally funded irrigation system achieved the goal that the private backers of the Lake Chelan Water Company had abandoned. But before this achievement, many orchardists fell by the wayside and lost their farms.

Those Who Stayed In Manson

Some managed to persevere. Two of those were George Barkley and his son LaRue.

LaRue Barkley described how his father, George, and their family came to Manson in the summer of 1915 and what they found upon arrival. He wrote (The Way It Was, page 4): "Pop spent 12 years as a civil engineer and maintenance chief on the Chicago & Alton Railroad. He was climbing the ladder too fast and would soon find himself in an office as an official. Inside work he did not want. He even told of walking and carrying a transit for 30 miles with the temperatures below zero degrees and a high wind. That he could take, but not an office job. The Lake Chelan Land Company had a booth in the Illinois State Fair in Springfield in 1914. The display of apples were big and red. After some correspondence in the Manson area, Pop and a friend of his from the office took an option on 11 acres of two-year-old trees in Manson. What a man to pack up all his

possessions and, with his family, move to the end of the world, as it was called then."

LaRue Barkley continued on page 7-8: "When we arrived, the irrigation system was installed, such as it was. We got all the water we needed, which was 18 acre inches for $1.50 per acre. We were told that the price would never go any higher. They got all the water they needed from Mitchell Creek at first and didn't think they would ever need any more. At that time, the rain and snow fall was a lot more than it was a few years later, so how wrong they were."

On page 17 he writes "Apples didn't bring much money in those days, and with the depression on top of that, it took Pop 27 years to pay for his orchard."

Pages 25-26: "In the spring of 1933, I had the opportunity to buy a ten-year-old, eight acre orchard. If a place was repossessed by the reclamation district, it cancelled all debts, including real estate tax. So it cost $80.00 per acre. No one seemed to know at the time that a delicious orchard would not bear fruit without pollenizers. I found it out, but for years I didn't get enough production to make my payments. I helped build concrete water boxes for the reclamation, fought many fires, was substitute on the mail route, but still I was always behind in making the payment on that first orchard."

Successful, Satisfying Lives

Life was difficult and often required working another job besides being an orchardist in order to survive. Many orchardists went into debt and paid off their debts with each new crop. But ultimately the strong community bonds of Manson smoothed out the troubles and life was satisfying for George, his son LaRue and many other small farmers who came to Manson and persevered. By the 1940s, Manson had a small but vibrant downtown with grocery stores, hardware stores, cafes, a doctor's office, a pharmacy with a soda fountain, a tavern, general stores, a theater, and a post office. All this complemented the public schools (elementary through high school), a volunteer fire department, the Lake Chelan Reclamation District, churches, social clubs, business clubs, and a Grange with its own hall available for student and community gatherings from dances to dinners and more. The community also built a Community Hall used for fairs, displays and many activities including as a gym for high school basketball games. The community banded together to build a community swimming dock that extended out into Manson bay, with volunteers conducting swimming lessons for children in the summer. Clubs such as Cub Scouts, Boy Scouts, Sea Scouts, Camp Fire Girls, Rainbow Girls and others proliferated. A Manson Apple Blossom Festival, first held on May 11, 1921, led to annually designating a senior high school apple blossom queen in 1928. A chicken noodle dinner was added in 1938, and then a Saturday parade through town was permanently

added in 1947, drawing floats, bands and displays from communities around a wide area. Children growing up in this community felt a great pride of place and community attachment which they carried with them their whole lives.

Lake Chelan Land Company
Owners' Investments, Returns and Profits

Owners	Ownership Shares	Time of Ownership				Investment	Return	Profit	Average Profit Per Year (1)
		Sep 1909	Jun 1916 Sep 1917	Mar 1920					
Manson F. Backus	37.5%	6.75 Years				$ 127,500	$ 300,875	$ 173,375	13.6%
LeRoy M. Backus	25.0%	6.75 Years				$ 85,000	$ 227,250	$ 142,250	15.7%
Joshua Green	25.0%	10.5 Years				$ 85,000	$ 190,237	$ 105,237	8.0%
W. G. Swalwell	6.3%	10.5 Years				$ 21,250	$ 52,560	$ 31,310	9.0%
J. A. Swalwell	6.3%	10.5 Years				$ 21,250	$ 52,560	$ 31,310	9.0%
C. B. Tyler			25.0%	1.25 Years		$ 85,000	$ 92,000	$ 7,000	6.5%
Fred H. Furey			37.5%	62.5%	3.75 Years	$ 219,500	$ 259,968	$ 40,468	4.6%
Totals	100%		100%	100%					

Note (1):
Example calculation for Manson F. Backus is 300875/127500 = 2.3598 raised to the power of 1/6.75 years = 1.136.
Subtract 1 and we get .136 or 13.6 % per year average profit.

Lake Chelan Land Company
5,000 Shares of Stock
Individual Investor Summaries

Manson F. Backus	Initial Investment, 32.5% of Shares (1,625)	$	(127,500)
	Sale of shares to C. B. Tyler in June 1916	$	127,500
	Dividends Received	$	213,375
	Notes purchashed from Joshua Green in 1917 and turned over to C. B. Tyler	$	(40,000)
	Net Profit	$	173,375
LeRoy M. Backus	Initial Investment, 25% of Shares (1,250)	$	(85,000)
	Sale of shares to Fred H. Furey in June 1916	$	85,000
	Dividends Received	$	142,250
	Net Profit	$	142,250
Joshua Green	Initial Investment, 25% of Shares (1,250)	$	(85,000)
	Notes turned over to C. B. Tyler in 1917	$	(20,000)
	Dividends Received	$	210,237
	Net Profit	$	105,237
W. G. Swalwell	Initial Investment, 6.25% of Shares (312.5)	$	(21,250)
	Dividends Received	$	52,560
	Net Profit	$	31,310
J. A. Swalwell	Initial Investment, 6.25% of Shares (312.5)	$	(21,250)
	Dividends Received	$	52,560
	Net Profit	$	31,310
Fred H. Furey	Initial Investment, Purchase of LeRoy Backus Shares at par value	$	(85,000)
	Sale of Shares to C. B. Tyler in September 1917	$	92,000
	Net Profit	$	7,000
C. B. Tyler	Initial Investment, Purchase of Manson Backus Shares at par value	$	(127,500)
	Purchase of Fred Furey Shares in September 1917	$	(92,000)
	Dividends Received	$	169,968
	Interest on $120,000 loan to Lake Chelan Land Company in December 1916	$	30,000
	Notes turned over by Manson Backus	$	40,000
	Notes turned over by Joshua Green	$	20,000
	Net Profit	$	40,468

Lake Chelan Land Company
Financial Summary

The Manson/LeRoy Backus Phase: September 1909 through June 1916		
Income:		
Capital Invested	$	340,000
Loans from Manson Backus and Swalwell-Swartout Company	$	110,000
Land Sales (Primarily to Swalwell-Swartout Company)	$	684,561
Cash balance carried over to C. B. Tyler	$	(661)
Total Income	$	1,133,900
Expenses:		
Land Purchases (6,860 acres)	$	159,300
Irrigation Infrastructure, land reclamation and planting	$	352,900
Debt Service (6% interest on $110,000 loans)	$	27,469
Land Sales Commissions @5% of sale price	$	25,231
Total Expenses	$	564,900
Profit to Shareholders	$	569,000
Distribution of Profit through June 1916		
Manson F. Backus (37.5%)	$	213,375
LeRoy M. Backus (25%)	$	142,250
Joshua Green ((25%)	$	142,250
W. G. Swalwell (6.25%)	$	35,563
J. A. Swalwell(6.25%)	$	35,563
Subtotal	$	569,000

The C. B. Tyler Phase: July 1916 through March 1920		
Income:		
Carryover from Backus phase	$	661
C. B. Tyler/Joshua Green loans	$	120,000
Land Sales	$	162,013
Voluntary Bankruptcy Sale of Assets (Land and Contracts)	$	325,000
Total Income	$	607,674
Expenses:		
Compensatory Payment to Lake Chelan Irrigation District	$	50,000
Interest and Principal on loans to LCLC	$	272,600
Land Sales Commissions (@5% of land sale price)	$	8,125
Operating Expenses	$	5,000
Total Expenses	$	335,725
Profit to Shareholders	$	271,949
Distribution of Profit July 1916 through March 1920		
C. B. Tyler (62.5%)	$	169,968
Joshua Green (25%)	$	67,987
W. G. Swalwell (6.25%)	$	16,997
J. A. Swalwell(6.25%)	$	16,997
Subtotal	$	271,949

Project Totals:		
Income	$	1,741,574
Expenses	$	900,625
Profit	$	840,949

Wapato Irrigation Project

A Financial Reconstruction Based on Newspaper accounts, Business letters, Court Records and a few reasonable assumptions

From the Incorporation of the Wapato Irrigation Company (1906) through the sale of the Lake Chelan Land Company (1920)

Year	Description	Cash Flow Income						Outgo						Cum
Wapato Irrigation Project		Capital	Personal Loans	Mortgage Loan	Land Sales	Sale of LCLC	Total	Productive	Debt Payments	Land Sale Commissions	Distribution of Dividends	Total	Cash	Cash
1906	Incorporation of Wapato Irrigation Company													
	Engineering surveys and maps							200				200	(200)	(200)
														(200)
1907	Wapato lake dike							1,791				1,791	(1,791)	(1,991)
														(1,991)
	Engineering work							209				209	(209)	(2,200)
														(2,200)
1908	Wapato lake dike, Antilon-Temple lake canal, trail to Mitchell creek							1,500				1,500	(1,500)	(3,700)
														(3,700)
	Engineering review and plans							300				300	(300)	(4,000)
1909	Sale of WIC to LeRoy Backus and George McLaren at estimated interest to shareholders at 7%/year. $4,000 X 1.07^3 = $4,900													
	Incorporation of Lake Chelan Land Company on September 14	340,000					340,000						340,000	340,000
	Incorporation papers say capital is $500,000 with 5000 shares.													340,000
	Only $340,000 was subscribed at $68 par value for 5,000 shares.													340,000
														340,000
	LCLC purchases WIC from LeRoy Backus and George McLaren													340,000
	Interet on investment at 7%/year. $4,900 X 1,07^.5 = $5,069							4,000	1,069			5,069	(5,069)	334,931
														334,931
	Purchase of Indian allotment lands							62,000		16,150		78,150	(78,150)	256,781
	MA9,MA11, partial MA12, MA13, MA14, MA15, MA16, MA17													256,781
	Total acreage = 3,977													256,781
														256,781
1910	Non-allotment land purchases: 1,720 acres at $15/acre							25,800		1,290		27,090	(27,090)	229,691
														229,691
	Purchase of more Indian allotment land, MA12, 190 acres							3,500		263		3,763	(3,763)	225,928
														225,928
	Operating expenses							500				500	(500)	225,428
														225,428
1911	Operating expenses							500				500	(500)	224,928
														224,928
	Sale of 39 acres to various persons for $15,344 ($391/acre)				3,836		3,836			767		767	3,069	227,997
	LCLC land sales terms: 25% down, 7% interest, 5 years													227,997
														227,997
	Additional Indian allotment purchases: 805 acres							56,000				56,000	(56,000)	171,997
	Wapato John & Peter Wapato, MA8 and MA10													171,997
														171,997
	Purchase of Matilda Wapato homestead, 168 acres							12,000		600		12,600	(12,600)	159,397
														159,397
	Income on land sale contracts				3,107		3,107						3,107	162,504
														162,504
	Irrigation system work							30,000				30,000	(30,000)	132,504
														132,504

From the Incorporation of the Wapato Irrigation Company (1906) through the sale of the Lake Chelan Land Company (1920)

Year	Description	Cash Flow: Income						Outgo						Cum
Wapato Irrigation Project		Capital	Personal Loans	Mortgage Loan	Land Sales	Sale of LCLC	Total	Productive	Debt Payments	Land Sale Commissions	Distribution of Dividends	Total	Cash	Cash
	Dividend of 116 acres at $200/acre to some shareholders (non-cash)													132,504
	$23,200 value.													132,504
														132,504
	Total 6,860 acres acquired for $159,300 or $23.22 per acre													132,504
														132,504
	Swalwell & Swartout Co. purchase 5,000 acres at $200/acre in September.													132,504
	Five annual payments of $200,000 to begin on December 1, 1912													132,504
														132,504
1912	Loan supplied through National Bank of Commerce & paper resold		50,000				50,000						50,000	182,504
	Funds supplied by Swalwell & Swartout Company (J. A. Swalwell)		60,000				60,000						60,000	242,504
	Interest bearing notes (@6%/year) were given in both cases, with													242,504
	collateral being the income from land sales.													242,504
														242,504
	Operating expenses							500				500	(500)	242,004
														242,004
	Irrigation system and land reclamation work							225,000				225,000	(225,000)	17,004
														17,004
	Servicing National Bank of Commerce and Swalwell loans @6% interest								6,600			6,600	(6,600)	10,404
														10,404
	Income on land sale contracts				2,946		2,946						2,946	13,350
														13,350
	First of five installments payments for 5,000 acres of land				200,000		200,000						200,000	213,350
	purchased by Swalwell & Swartout Company in Sep. 1911.													213,350
	J. A. Swalwell and his father-in-law Melvin L. Swartout of Everett.													213,350
														213,350
	Dividends to shareholders										120,000	120,000	(120,000)	93,350
														93,350
1913	Irrigation system work and land reclamation							90,900				90,900	(90,900)	2,450
														2,450
	Income on sales contracts				2,785		2,785						2,785	5,235
														5,235
	Operating expenses							500				500	(500)	4,735
														4,735
	Second & final payment from Swalwell & Swartout Company				466,800		466,800						466,800	471,535
	3,334 acres at $200 each = $666,800-200,000 paid = $466,800													471,535
	1,666 acres of land returned to Lake Chelan Land Company													471,535
														471,535
	Servicing National Bank of Commerce and Swalwell loans @6% interest								6,600			6,600	(6,600)	464,935
														464,935
	Divident to shareholders										449,000	449,000	(449,000)	15,935
														15,935
1914	Settlement of R.H. Lord lawsuit, land sales commissions									6,161		6,161	(6,161)	9,774
														9,774
	Income on sales contracts				2,624		2,624						2,624	12,398
														12,398
	Operating expenses							500				500	(500)	11,898
														11,898
	Servicing National Bank of Commerce and Swalwell loans @6% interest								6,600			6,600	(6,600)	5,298
														5,298
1915	Income on sales contracts				2,463		2,463						2,463	7,761

From the Incorporation of the Wapato Irrigation Company (1906) through the sale of the Lake Chelan Land Company (1920)

Year	Description	Cash Flow: Income						Outgo						Cum
Wapato Irrigation Project		Capital	Personal Loans	Mortgage Loan	Land Sales	Sale of LCLC	Total	Productive	Debt Payments	Land Sale Commissions	Distribution of Dividends	Total	Cash	Cash
														7,761
	Operating expenses							500				500	(500)	7,261
														7,261
	Servicing National Bank of Commerce and Swalwell loans @6% interest								6,600			6,600	(6,600)	661
														661
1916	Manson Backus sells his 37.5% of shares to C. B. Tyler for $127,500													661
	LeRoy Backus sells his 25% of shares to Fred Furey for $85,000													661
	Summary of the Backus Phase of the Project	**340,000**	**110,000**	**-**	**684,561**	**-**	**1,134,561**	**512,200**	**27,469**	**25,231**	**569,000**	**1,133,900**		**661**
														661
	Change in management in June 12, 1916 when Fred Furey													661
	replaced LeRoy Backus as president.													661
														661
	Sell 500 acres at $325/acre with 25% down payment				40,625		40,625			8,125		8,125	32,500	33,161
														33,161
	Income on sales contracts	-			32,906		32,906						32,906	66,067
														66,067
	Operating expenses							500				500	(500)	65,567
														65,567
	Servicing National Bank of Commerce and Swalwell loans @6% interest								6,600			6,600	(6,600)	58,967
														58,967
	Joshua Green and C. B. Tyler impose a mortgage, December 30, on the													58,967
	Lake Chelan Land Company taking all assets as collateral (2,871 acres													58,967
	of land and an unspecified amount of land sales contracts)													58,967
	on one-year, 8% interest-bearing loans amounting to $120,000			120,000			120,000						120,000	178,967
	Interest was due semi-annually, i.e. on June 30 and December 30.													178,967
														178,967
	Green testified in court that this loan was to pay off Backus,													178,967
	meaning the National Bank of Commerce and Swalwell/Swartout notes.													178,967
	Many of these notes had been resold to other parties,													178,967
	but National Bank of Commerce managed all the notes.													178,967
														178,967
	Payments made to National Bank of Commerce in settlement of								52,727			52,727	(52,727)	126,240
	Manson Backus and Swalwell-Swartout Co. loans from 1912.								63,273			63,273	(63,273)	62,967
	Total payoff was $116,000 per court testimony.													62,967
														62,967
1917	Income on sales contracts				31,200		31,200						31,200	94,167
														94,167
	Money sent to C.B. Tyler/Joshua Green mortgage account at NBC.								8,563			8,563	(8,563)	85,604
	Interest was to be paid on the Tyler/Green semi-annually.													85,604
	Interest was due on June 30 and December 30.													85,604
														85,604
	Operating expenses							500				500	(500)	85,104
														85,104
	C. B. Tyler files court papers for foreclosure on his mortgage in late													85,104
	August or early September claiming non-payment of interest.													85,104
	Joshua Green and C.B. Tyler then move the Lake Chelan													85,104
	Land Company into voluntary bankruptcy September 12, 1917.													85,104
	Joshua Green is vice president and a director of the													85,104
	company and C. B. Tyler is a director. Tyler holds 37.5% of													85,104

From the Incorporation of the Wapato Irrigation Company (1906) through the sale of the Lake Chelan Land Company (1920)

Year	Description	Cash Flow: Income	Personal	Mortgage	Land	Sale of		Outgo	Debt	Land Sale	Distribution			Cum
Wapato Irrigation Project		Capital	Loans	Loan	Sales	LCLC	Total	Productive	Payments	Commissions	of Dividends	Total	Cash	Cash
	the company stock and Joshua Green owns 25%. Fred													85,104
	Furey is then president of the company and owns 25% as													85,104
	well. The remaining 12.5% is owned by the two Swalwell													85,104
	brothers, Joe and Bill. Furey opposed the Green-Tyler mortgage													85,104
	and the filing for voluntary bankruptcy.													85,104
														85,104
	Tyler and Green had given 2 shares each of stock to Andrew Kennedy,													85,104
	an employee of Tyler in Seattle and they put in on the board of dirctors													85,104
	and made him secretary of the company though he testified that he													85,104
	never knew anything about the finances of the company.													85,104
	Tyler also gave 1 share of stock to R. H. Gregory, another minion.													85,104
	Gregory's identity isn't made clear in the court records.													85,104
														85,104
	Fred Furey resigns on October 16, 1917, selling his 1,250 shares to													85,104
	to C.B. Tyler for $92,000 under pressure from Joshua Green.													85,104
	C.B. Tyler now owns 62.5% of the Lake Chelan Land Company.													85,104
														85,104
	Dividends to shareholders										85,000	85,000	(85,000)	104
														104
	Walter M. Olive is appointed trustee of the company by the													104
	court, reported in the Chelan-Leader on November 8, 1917.													104
														104
1918	Income from land contracts				29,494		29,494						29,494	29,598
	Operating expenses							500				500	(500)	29,098
	Trustee's salary, estimated							1,500				1,500	(1,500)	27,598
														27,598
1919	Income from land contracts				27,788		27,788						27,788	55,386
	Operating expenses							500				500	(500)	54,886
	Trustee's salary, estimated							1,500				1,500	(1,500)	53,386
														53,386
1920	Sale of company assets to Chelan Orchards Company					325,000	325,000						325,000	378,386
	(2,871 acres of land plus $26,081 outstanding land contracts)													378,386
														378,386
	Close out of Lake Chelan Land Company and Water Company													378,386
														378,386
	Payment of Lake Chelan Water Company $5,000 loan at 6% interest from Miners							6,000				6,000	(6,000)	372,386
	and Merchants bank in Chelan in March 1917. About a 3 year term.													372,386
														372,386
	Transfer of all Lake Chelan Water Company assets to													372,386
	Lake Chelan Reclamation District at zero cost or for $1													372,386
														372,386
	Payment to Lake Chelan Reclamation District to							44,000				44,000	(44,000)	328,386
	compensate for delayed contractual funding for irrigation system.													328,386
														328,386
	Payment of mortage to Joshua Green and C. B. Tyler								141,437			141,437	(141,437)	186,949
	$120,000 plus 8% interest for about three years ($150,000) less $8,563 in interest paid in 1917													186,949
														186,949
	Payment of final balance to shareholders										186,949	186,949	(186,949)	
	Summary of C. B. Tyler Phase of the Project	**-**	**-**	**120,000**	**162,013**	**325,000**	**607,013**	**55,000**	**272,600**	**8,125**	**271,949**	**607,674**		

From the Incorporation of the Wapato Irrigation Company (1906) through the sale of the Lake Chelan Land Company (1920)

Year	Description	Cash Flow: Income	Personal	Mortgage	Land	Sale of		Outgo	Debt	Land Sale	Distribution			Cum
Wapato Irrigation Project		Capital	Loans	Loan	Sales	LCLC	Total	Productive	Payments	Commissions	of Dividends	Total	Cash	Cash
	Return to LCLC shareholders of balance of sale funds													
	C. B. Tyler, 62.5%							116,843				116,843		
	Joshua Green, 25%							46,737				46,737		
	Swalwell brothers, 12.5% (6.25% each)							23,369				23,369		
	Total Final Distribution to Shareholders											186,949		
	Sum of Total Project Values	**340,000**	**110,000**	**120,000**	**846,574**	**325,000**	**1,741,574**	**567,200**	**300,069**	**33,356**	**840,949**	**1,741,574**		

Lake Chelan Land Company
Land Contract Income By Year
Sum of payments due by year, including principal payment and annual interest of 7%

Year	Payments Due	Sum of Income	Payments Due	Sum of Income
1911	3,107	3,107		
1912	2,946	6,053		
1913	2,785	8,838		
1914	2,624	11,462		
1915	2,463	13,925		
1916			32,906	32,906
1917			31,200	64,106
1918			29,494	93,600
1919			27,788	121,388
1920			26,081	147,469

Outstanding land contracts of $26,081 were sold at auction in 1920 along with 2,871 acres of land

Lake Chelan Land Company
Land Sales Documented in the The Chelan Leader newspaper
Calculation of sales commissions
At 25% down payment, five-year contract and 7% annual interest

Year	Acres	$/acre	Sale Value	25% Down Payment	Principal Balance	Interest	Principal Payment	Total Payment
1911	39	393	15,344	3,836	11,508	806	2,302	3,107
1912					9,206	644	2,302	2,946
1913					6,905	483	2,302	2,785
1914					4,603	322	2,302	2,624
1915					2,302	161	2,302	2,463
1912	0							
1913	0							
1914	0							
1915	0							
1916	500	325	162,500	40,625	121,875	8,531	24,375	32,906
1917					97,500	6,825	24,375	31,200
1918					73,125	5,119	24,375	29,494
1919					48,750	3,413	24,375	27,788
1920					24,375	1,706	24,375	26,081
1917	0							
1918	0							
1919	0							
1920	0							

WAPATO IRRIGATION COMPANY

Incorporated on April 21, 1906

Capitalization $60,000

300 shares of preferred stock

300 shares of common stock

(shareholder distribution unknown)

Shareholders:

Lyman R. Colt, Chelan businessman

Harry W. Wentworth, Chelan doctor and businessman

Robert P. Harris, Chelan businessman

Titus Hale, Chelan rancher and businessman, 1902 graduate of Princeton University

C. E. Rusk, Chelan businessman

Purposes: Develop an irrigation system and buy, sell and lease land.

1906: Prepared surveys and maps and engineering plans for the irrigation system.

1907: Applied to Congress for rights of way for irrigation reservoirs, canals and ditches.

1907: Spent $1,791 for Wapato Lake dike.

1907-1909: Applications for use of specific amounts of water from various creeks and lakes.

1908: More dike work at Wapato Lake.

1909: Work on flumes to carry water to orchard land. By March, LeRoy M. Backus and George S. McLaren purchase the Wapato Irrigation Company.

1909: By September, the Lake Chelan Land Company purchases the Wapato Irrigation Company and places it under the management of President LeRoy Backus and Secretary George McLaren.

1910: Purchased rights of way for irrigation ditches and pipes.

1911: First delivery of water from Wapato Lake reservoir. Held 1,350.75 acres of land.

1911: On April 21, all land is deeded to the Lake Chelan Land Company and on May 26 the Lake Chelan Water Company is incorporated with President LeRoy Backus and Secretary Joshua Green.

1911: On June 9, a Water Deed and Contract was signed between the Lake Chelan Land Company and the Lake Chelan Water Company

LAKE CHELAN LAND COMPANY

Incorporated on September 14, 1909

Capitalization $500,000 (only $340,000 was subscribed)

5,000 shares of stock issued

Par value supposed to be $100/share but actual par value was $68/share

Probable initial share distribution

Manson F. Backus 37.5%	President of National Bank of Commerce in Seattle, WA
LeRoy M. Backus 25%	Manson's son. Harvard graduate, bank director and entrepreneur
	President of LCLC
George S. McLaren 6.25%	Insurance executive residing in Seattle, WA.
	Secretary of LCLC
W. P. McLaren 6.25%	Younger brother of George. Also in Seattle, WA.
Leslie Findlay 25%	Unknown. Probably another wealthy Seattle resident

Change in Shares by December 3, 1909

Manson F. Backus 37.5%	President of National Bank of Commerce in Seattle, WA
LeRoy M. Backus 25%	Manson's son. Harvard graduate, bank director and entrepreneur
	President of LCLC
J. A. Swalwell 6.25%	NBC bank vice president and entrepreneur in Everett, WA.
	Secretary of LCLC
W. G. Swalwell 6.25%	First National Bank president and entrepreneur in Everett, WA.
Joshua Green 25%	President of the Puget Sound Steamship Co. and NBC bank director

Change in Shares by June 12, 1916

C. B. Tyler 37.5%	Pittsfield, New Jersey attorney and wealthy entrepreneur
Fred H. Furey 25%	Central Wash. entrepreneur and land/irrigation development expert
	President of LCLC
J. A. Swalwell 6.25%	NBC bank vice president and entrepreneur in Everett, WA.
W. G. Swalwell 6.25%	First National Bank president and entrepreneur in Everett, WA.
Joshua Green 25%	President of the Puget Sound Steamship Co. and NBC bank director
	Secretary of LCLC

Change in Shares October 16, 1917

C. B. Tyler 62.5%	Pittsfield, New Jersey attorney and wealthy entrepreneur
J. A. Swalwell 6.25%	NBC bank vice president and entrepreneur in Everett, WA.
W. G. Swalwell 6.25%	First National Bank president and entrepreneur in Everett, WA.
Joshua Green 25%	President of the Puget Sound Steamship Co. and NBC bank director
	Secretary of LCLC

LAKE CHELAN WATER COMPANY

Incorporated on May 26, 1911

Capitalization maximum of $5,000 based on $1/irrigated acre

Up to 5,000 shares of voting stock (each irrigated acre receives one vote)

Purpose: A non-profit organization whose goal is to supply irrigation water

The Water Deed and Contract of June 9, 1911, between the Lake Chelan Land Company and the Lake Chelan Water Company states that the LCLC owns "substantially six thousand five hundred (6,500) acres of land" and "approximately five thousand (5,000) acres are irrigable and not required for reservoirs or other irrigation works." Hence, the 5,000 acre capitalization.

Trustees of LCWC (Changed when LCLC shareholders changed in 1916)

Manson F. Backus 37.5%	President of National Bank of Commerce in Seattle, WA
LeRoy M. Backus 25%	Manson's son. Harvard graduate, bank director and entrepreneur
J. A. Swalwell 6.25%	NBC bank vice president and entrepreneur in Everett, WA.
W. G. Swalwell 6.25%	First National Bank president and entrepreneur in Everett, WA
Joshua Green 25%	President of the Puget Sound Steamship Co. and NBC bank director

Initial Officers of LCWC

LeRoy M. Backus, President	May 1911
J. A. Swalwell, Secretary	
Fred H. Furey, President	June 1916
J. A. Swalwell, Secretary	
C. B. Tyler, President (by default)	October 1917
Joshua Green, Assistant Secretary	

All assets of the Lake Chelan Water Company are deeded to the Lake Chelan Reclamation District as part of the settlement of the voluntary Chapter 7 bankruptcy of the Lake Chelan Land Company, whose assets were auctioned off to Chelan Orchards, a corporation established by William Calvert, Jr. of Seattle. William Calvert, Jr., Manson Backus, LeRoy Backus, Joshua Green and J. A. Swalwell were all board members of the National Bank of Commerce. Manson Backus was president of the bank and Joseph A. Swalwell was vice president

Wapato Irrigation Project
Historical Narrative and Financial Reconstruction
Sources and Bibliography

Centennial Celebration: Lake Chelan Reclamation District, Manson, Washington 1920-2020

Lord v. Wapato Irrigation Company, 81 Wash. 561, 142 Pac. 1172. Suit filed by R. H. Lord in 1912 with final judgment on September 17, 1914. Spells out details of the September 1911 sale by the Lake Chelan Land Company, which then owned the Wapato Irrigation Company, of 5,000 acres of land for $1,000,000 to the Swalwell-Swartout Company. Also includes the complex details of the Brown and Lord contract with the Wapato Irrigation Company for the purchase of Indian land and the later sale of the same land held by the Wapato Irrigation Company. A copy of the court papers will be placed on file at the Lake Chelan Museum.

The Martha Watson Papers: The Wapato Indians and the Manson Community (2022), articles originally published in the *Chelan Valley Mirror* between September 7, 1939 and November 30, 1939. Republished with notes added by John V. Peters in 2022. On file at the Lake Chelan Museum.

Lake Chelan History Notes, Volume XI, 1990-91, "Henry W. Wentworth, M.D." Dr. Wentworth's first name appears to be Harry since this is what he used on Chelan property deeds, on the incorporation papers for the Wapato Irrigation Company and the name used in the following reference.

"Harry W. Wentworth, M.D." in *History of North Washington, an illustrated history of Stevens, Ferry, Okanogan and Chelan counties*, published by Western Historical Publishing Company in 1904. This history can be found online.

United States Circuit Court of Appeals for the Ninth Circuit, No. 3223, Lake Chelan Land Company, Walter M. Olive vs. C. B. Tyler, 1918-1919. A copy will be placed on file in the Lake Chelan Museum.

Gold Horizon: The Life Story of Manson F. Backus: Forty-five years a Banker in the Pacific Northwest by N. R. Knight (Seattle, WA: Dogwood Press, 1937).

History of the Lake Chelan Reclamation District by Wayne Allan Stanford. An unpublished thesis, Master of Arts in History, Washington State University, 1965.

Glimpses of Manson History by Wayne Stanford (Cheverly, Maryland: The Craftsman, 1993).

Obituaries of many of the people involved in the Wapato Irrigation Project, some available at the Lake Chelan Museum and others found online.

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New York Times, March 23, 1955, C. Boardman Tyler obituary.

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Plainfield Daily Press, October 20, 1908 and December 30, 1908, C. Boardman Tyler marries daughter of former U. S. Senator and granddaughter of New York Governor Samuel L. Tilden.

Plainfield Daily Press, May 2, 1908, Tyler & Tyler law firm in New York City.

Business letters of R. H. Lord and W. P. McLaren.

Rowland S. Ludington, attorney, online search as well as *The Leavenworth Echo*, September 24, 1909, showing cards for local area attorneys.

James J. Hill and his son Louis W. Hill, presidents of the Great Northern Railroad. Online search for historical information on their extensive activities to encourage migration and the establishment of successful science-based farming communities along the railroad routes they had established or were considering.

Other source details are documented in the narrative, including the details that form my financial reconstruction of the annual cash flows of the Lake Chelan Land Company and the profits of the owners of the company.